Annual report 2024: ALK delivers 15% sales growth with profits up 65%

ALK's (*ALKB:DC / OMX: ALK B / AKBLF*) Board of Directors has approved the 2024 annual report. Following a robust performance in Q4, full-year results were in line with the latest outlook and represent the best results in the history of the company. ALK expects to continue its growth trajectory and earnings improvement in 2025.

Q4 2024 highlights

(Comparative figures are shown in brackets. Growth rates are stated in local currencies, unless otherwise indicated)

- Revenue increased by 11% to DKK 1,499 million (1,345) on continued strong performance in Europe. As anticipated, North America and International markets did not contribute to growth in this quarter.
- Tablet sales increased by 17% to DKK 795 million (677). Europe remained the key contributor with 32% growth, reflecting a continued inflow of new patients and improved pricing.
- Combined SCIT and SLIT-drops sales increased by 5% to DKK 552 million (522), while sales of Other products increased by 2% to DKK 152 million (146).
- Operating profit (EBIT) improved modestly to DKK 205 million (194) as ALK advanced investments in selected R&D projects and Sales & Marketing initiatives. Total costs also included one-off costs related to the in-licensing of neffy®, as well as DKK 26 million in optimisation costs, primarily in China.
- Major milestones achieved: the in-licensing of neffy® adrenaline nasal spray, paediatric European approval of ACARIZAX® house dust mite tablet, and positive clinical results with peanut tablet.

		Growth			Growth	
DKKm	**Q4 2024**	**l.c.**	**r.c.**	**FY 2024**	**l.c.**	**r.c.**
Revenue	**1,499**	**11%**	**11%**	**5,537**	**15%**	**15%**
EBIT	**205**	**6%**	**6%**	**1,091**	**65%**	**64%**
EBIT margin	**14%**			**20%**		

l.c.: local currency; r.c.: reported currency

Full-year 2024 highlights

- Revenue increased by 15% to DKK 5,537 million (4,824) on growth in all product lines.
- Tablet sales increased by 24% to DKK 2,851 million (2,296) on growth in all sales regions. European tablet sales sustained momentum with 31% growth, driven by higher volumes and improved pricing.
- Sales of SCIT and SLIT-drops increased by 6% to DKK 2,052 (1,939) on solid performance in Europe. Sales of Other products increased by 7% to DKK 634 million (589), driven by Jext®.
- EBIT was DKK 1,091 million (666) on higher sales, gross margin improvements, and modest cost increases, despite DKK 75 (0) million in one-off optimisation costs. The margin was 20% (14).
- Free cash flow was DKK minus 204 million (positive at 292), and excluding the upfront payment related to the neffy® license agreement, free cash flow ended better than expected and increased to DKK 790 million, driven by improved earnings, lower CAPEX, and changes to working capital.

2025 financial outlook

- Revenue is expected to grow by 9 -13% primarily on volume-driven growth across sales regions and product groups. Tablet remain key to growth.
- The EBIT margin is expected to improve by 5 percentage points to around 25%, driven by revenue growth, improving gross margin, and optimisations.

ALK's CEO Peter Halling says: *"2024 was a remarkable year in which we delivered considerably better results than we originally anticipated. We established a new strategic framework for ALK's long-term development and are expanding our addressable markets in respiratory allergy by adding new patient groups – especially children – and new markets. Efforts are also well underway to build new revenue streams in anaphylaxis, food allergies, and other allergic conditions with high unmet needs".*

The comprehensive annual report continues on the subsequent pages.

ALK-Abelló A/S

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Webcast

Today, ALK is hosting a conference call for analysts and investors at 13.30pm (CET) at which Management will review the financial results and the outlook. The conference call will be webcast live on https://ir.alk.net where the accompanying presentation will be available.

To register for the conference call, please use this link and follow the registration instructions. You will receive an email from diamondpass@choruscall.com with dial-in details, including a passcode and a pin code. Please make sure to whitelist diamondpass@choruscall.com and/or check your spam filter.

About ALK

ALK is a global specialty pharmaceutical company focused on allergy and allergic asthma. It markets allergy immunotherapy treatments and other products and services for people with allergy and allergy doctors. Headquartered in Hørsholm, Denmark, ALK employs around 2,800 people worldwide and is listed on Nasdaq Copenhagen. Find more information at www.alk.net.

Annual report 2024

Pioneers of allergy solutions

ALK-Abelló A/S
Bøge Allé 6-8, DK-2970 Hørsholm, Denmark,
CVR no. 63 71 79 16

ALK

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How to read this report
This is ALK Abelló A/S' ("ALK" or "the company") first integrated annual report, consisting of the two main sections Management's review including Sustainability statement and Financial statements. With the aim of addressing the requirements in the new Corporate Sustainability Reporting Directive (CSRD), from a reader's perspective, the requirements have been addressed in the part(s) of the report where they fit into the context thereby incorporating the information by reference. This means that throughout the report codes such as ESRS 2–SBM1 can be found, referring to specific disclosure requirements from the European Sustainability Reporting Standards (ESRS).

Find more information
- www.alk.net
- LinkedIn
- X

Other 2024 reports
- Remuneration report
- Statutory corporate governance statement
- Corporate Governance recommendations review

[1] Part of Management's review

Introduction

Letter from the Chair and CEO

2024 was a rewarding year for ALK

We delivered on the short-term targets and established a new strategic framework for the long-term development of ALK, including entry into new disease areas.

2024 was a rewarding year for ALK. We continued to build on the growth momentum and accelerated revenue growth to 15% in local currencies. Operating profit (EBIT) increased by 65% in local currencies and exceeded DKK 1 billion for the first time, driven by top-line growth, margin expansion and efficiencies.

Growth was powered by an inflow of new patients with moderate to severe, uncontrolled allergies. We estimate that 2.6 million people, an increase of 200,000, were treated with ALK's products - an important step towards our ambition of helping five million people yearly by 2030.

To define ALK's journey of sustained growth and earnings improvements towards 2028 and beyond, we launched the new Allergy⁺ strategy and new long-term financial targets in June. The implementation of the strategy is progressing well and is starting to deliver the desired results. Key achievements in 2024 included approval of the house dust mite tablet for children, progress in food allergy, the licensing agreement for *neffy*® in the field of anaphylaxis, an expansion of the addressable markets in respiratory allergy, and efforts to calibrate ALK's business platform to focus on high-potential growth levers.

Market-leading portfolios

Allergy⁺ aims to further strengthen ALK's position in allergy immunotherapy (AIT), address anaphylaxis and food allergy, and pursue innovations for adjacent allergic conditions with high unmet needs.

In each disease area, our ambition is to build a portfolio of solutions with the potential to establish ALK as a global market leader and substantially expand our addressable markets as we help many more patients.

A portfolio is already in place for respiratory allergy, where tablets (SLIT), injections (SCIT) and drops for treatment of multiple allergies have established ALK as the global market leader in AIT. We are also well on our way to build a sustainable portfolio for anaphylaxis, having recently gained the rights to *neffy*®, the first and only approved nasal spray for emergency treatment of anaphylaxis. This was a prime example of our efforts to bolster ALK's product portfolio through partnerships and in-licencing.

neffy® gives us first-mover advantages in a market about to undergo significant changes, while still leaving room for our Jext® autoinjector and our next-generation autoinjector currently in late-stage development. We believe that *neffy*® could reach peak sales of up to DKK 3 billion in anaphylaxis, and to this may be added the potential in other disease areas such as urticaria, currently in phase II development.

In food allergy, our portfolio is spearheaded by the peanut tablet. Based on positive results at the end of 2024, we will now assess the efficacy and safety of the tablet in a phase II trial and, contingent upon success, progress the asset towards phase III development and a subsequent market launch in the late 2020s.

We are also targeting food allergy beyond peanut allergy as well as diseases in the broader allergy space, through novel concepts and approaches in research phase and pre-clinical development. The objective is to continue to develop new treatments for allergic conditions with high unmet needs.

Tablets for all age groups

Another key ambition of the Allergy+ strategy is to expand the reach of ALK's respiratory tablet portfolio to additional patient groups, particularly children.

Approximately 10 million children suffer from uncontrolled respiratory allergy. They are impacted socially and in school and may face severe health implications. For instance, childhood allergic rhinitis increases the risk of asthma sevenfold. This is why it was of great importance that the authorities in 21 European countries recently approved an expansion of the product indication for our house dust mite (HDM) tablet to include young children, aged five to 11. We expect the North American authorities to conclude the similar ongoing reviews before long.

Subject to approval, ALK's tree tablet could also become available for children and adolescents from mid-2025 in Europe and Canada. By then, all of ALK's respiratory tablets will be approved for all age groups – children, adolescents, and adults – in key markets. We expect the complete tablet portfolio for all ages, covering 80% of the most prevalent allergies, to open doors to even more prescribers, and we look forward to helping more children and adolescents live better lives.

Targeted market expansion

Market expansion continues in Europe to enlarge prescriber networks and mobilise more people to act on their allergies. Efforts are also progressing outside Europe with tablets as the focal point. Our partner Torii continues to excel in Japan and is expanding production capacity to meet high demand while also working to bring the grass tablet to Japan. In India, our partner Dr. Reddy's Laboratories will be launching ALK's HDM tablet in 2025 based on a recent regulatory approval. Market adoption of tablets is also advancing in the Southeast Asian markets, served by our partner Abbott, and in Canada, served by ALK itself.

In China, the country with the highest number of people with house dust mite allergy world-wide, we expect to initiate a bridging trial in 2025 to facilitate the regulatory approval of our HDM tablet. The anticipated launch has been postponed by some years, and we have adjusted the Chinese organisation to the new timeline. Our short-term focus in China will be on continued growth of injectable Alutard SQ products.

In the USA, the focus remains on building new sales channels, especially among paediatricians. Some progress was seen in 2024, and US tablet sales continued to grow, but further steps are being investigated to accelerate growth of business in the USA.

Delivering on our promises

Focus and priorities have been top of the agenda in the past year. Careful resource allocation has been – and will remain – key to our planning, as we continue to reduce complexity and scale ALK for further growth.

In 2024, we downsized operations in certain markets with low potential, adjusted the footprint in China, and introduced a range of other optimisation initiatives. In total, these efforts are expected to generate savings of more than DKK 300 million in 2025, which will partly support earnings and partly be reallocated to initiatives with the most potential to generate strong returns and the greatest benefits for patients and prescribers.

These savings allow us to pursue Allergy+ priorities more rigorously – by investing in the pipeline, strengthening the footprint in high-growth markets, and supporting the launches of the children indications and *neffy*®, among other initiatives – while also improving earnings.

We expect the EBIT margin to increase by 5 percentage points to around 25% in 2025, while revenue is expected to grow by 9-13%, fuelled by more patients being treated. This is in line with the 25-in-25 target that was set in February 2021 on the back of our 2020 annual accounts which showed an EBIT margin of merely 4%.

Long-term ambitions

As a pioneer in the field of allergies for more than a century, ALK's purpose is to help more people, with more solutions, more efficiently.

We are committed to sustaining this trajectory of profitable growth. The Allergy+ strategy targets average revenue growth of at least 10% until 2028. After 2025, the EBIT result is set to grow in line with revenue, as we reinvest improvements beyond the 25% margin in initiatives to bolster long-term growth and profitability.

To meet these targets, we will maintain a financial gearing of maximum 2 x NIBD/EBITDA, which will allow us to both deliver on our ambitions and generate attractive shareholder returns.

Testimony of commitment

In conclusion, we would like to thank our leaders and employees for their efforts. The annual engagement survey showed that engagement among employees is in the top 5% in the international healthcare industry. In light of the recent changes to ALK's organisation, we see this result as a testimony to our employees' constant commitment to helping more people with allergy to live better lives.

We wish to thank our partners, too, whose collaboration is part of our success. We also appreciate the growing number of patients and prescribers who place their trust in our products. Finally, we would like to thank our shareholders. As ALK's performance continues to improve, we look forward to rewarding our owners through sustained, long-term value creation.

Anders Hedegaard
Chair of the Board

Peter Halling
President & CEO

ALK at a glance

As a pioneer in the field of respiratory allergies for more than a century, ALK's purpose is to help more people, with more solutions, more efficiently.

ALK is a global specialty pharmaceutical company focused on allergy and allergic asthma. ALK markets allergy immunotherapy (AIT) and anaphylaxis treatments for people with allergy.

ALK is committed to growth. The company's tablet portfolio is key to driving growth and currently constitutes 51% of the global revenue. ALK's primary focus is on broadening its core business in respiratory allergies and gradually expand into the wider allergy field, including anaphylaxis, food allergy, and new adjacent disease areas with high unmet needs. ALK aspires to help five million people living with allergy by 2030.

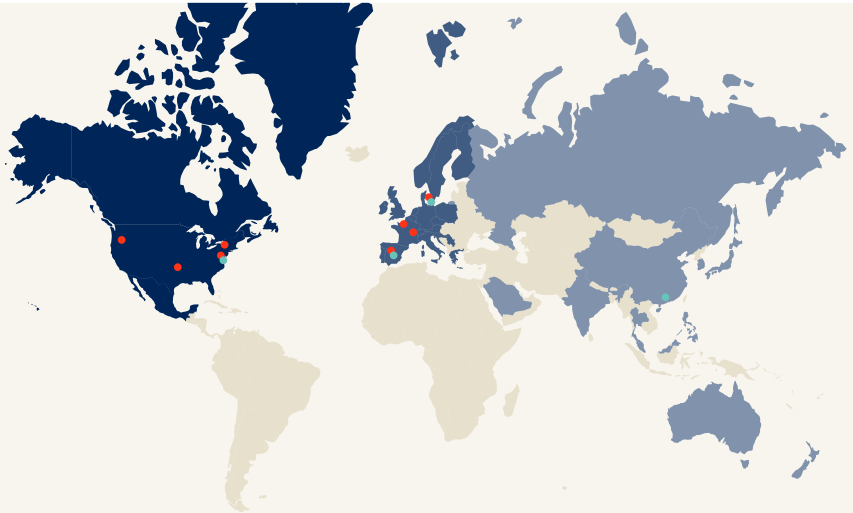
ALK markets a diversified portfolio of products, including AIT tablets, injections, and drops as well as adrenaline autoinjectors and nasal sprays.

Global presence

Regional revenue distribution

North America	16%
Europe	71%
International markets	13%

- Production sites
- R&D centres



1923
Established

2,812
Employees[1]
North America: 568
Europe: 2,066, Asia: 178

46
Markets

~2.6m
Patients in treatment with ALK products (Covering AIT and adrenaline)

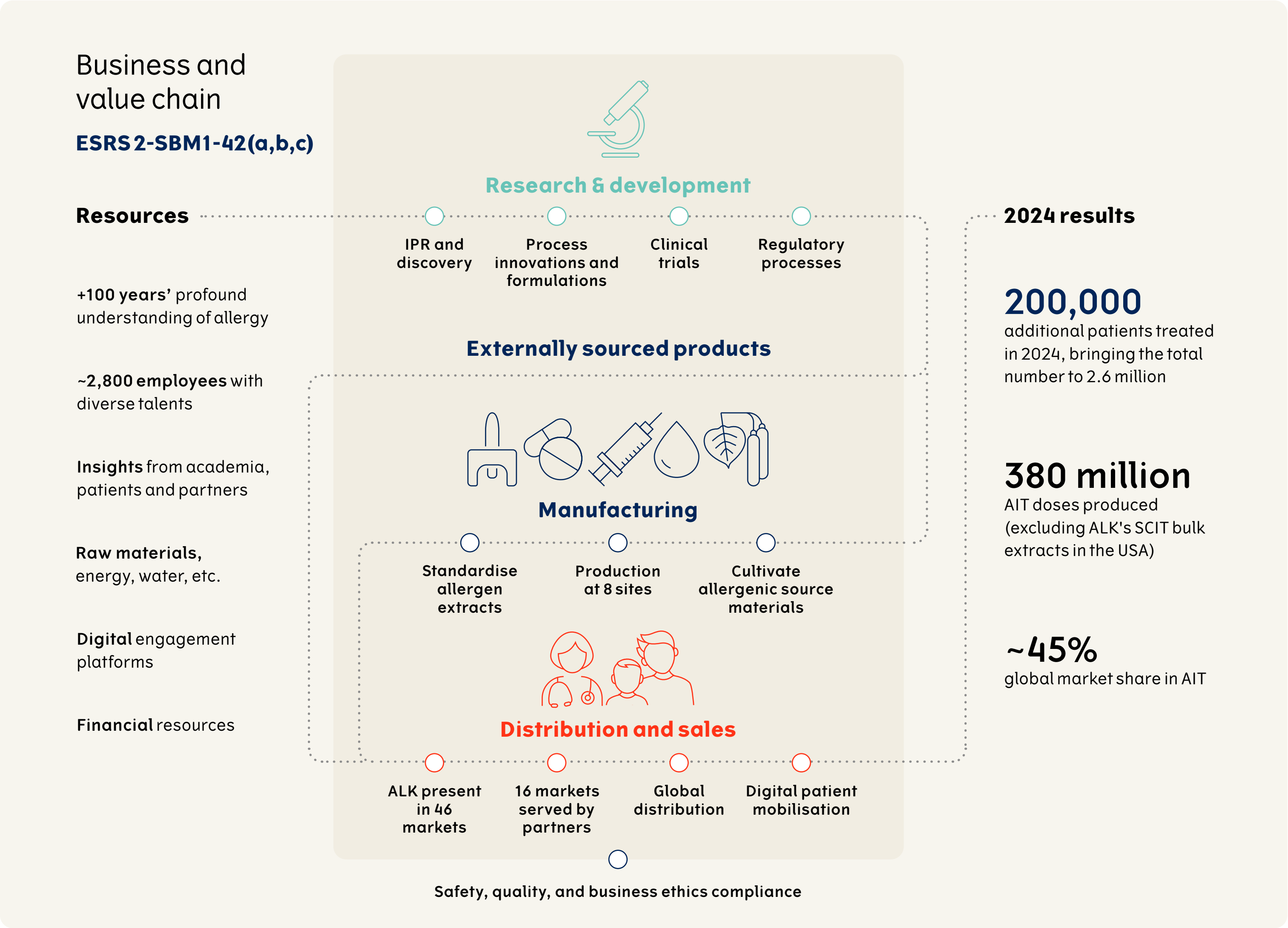
[1] ESRS 2-SBM 1-40(a.iii)

Business model

ALK's business model is based on unique production processes, immunology insights, strong research and development skills, and commitment to applying modern science to allergies as well as a comprehensive commercial infrastructure, especially in Europe.

ALK's activities cover the entire value chain of developing, sourcing, producing, and marketing a diversified portfolio of products for diagnosing and treating allergies, allergic asthma, and acute anaphylactic reactions.

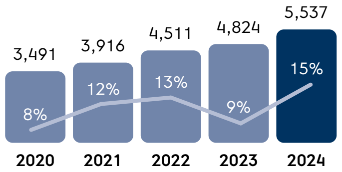
Naturally sourced allergens (proteins) are vital active pharmaceutical ingredients in ALK's core AIT products. ALK's unique manufacturing processes ensure its products meet required quality standards and represent a significant entry barrier to potential competitors, ensuring sustained market exclusivity for ALK.



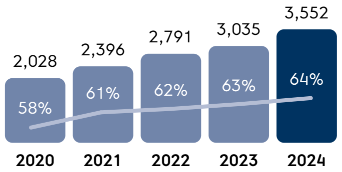
2024 performance highlights

Financial

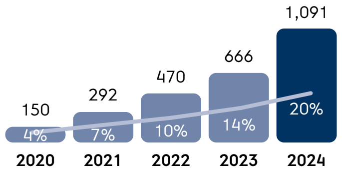
Revenue, DKK
5,537 million
15% organic growth in local currencies, in line with latest guidance



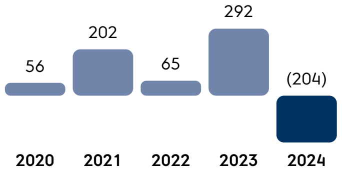
Gross profit, DKK
3,552 million
64% gross margin, driven by benefits of scale and efficiencies



Earnings (EBIT), DKK
1,091 million
20% EBIT margin,
in line with latest guidance

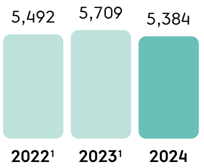


Free cash flow, DKK
(204) million
Impact of higher earnings offset by the DKK 1 billion *neffy*® upfront payment

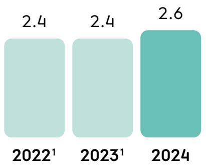


Sustainability

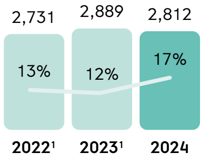
CO_2 emissions
5,384 tonnes CO_2 eq
Decrease of 2% in CO_2 emissions from production sites (scope 1 and 2)
Target: 42% reduction by 2030 compared to 2022



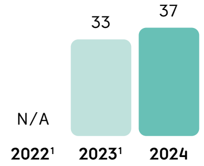
Patients in treatment
2.6 million
Net increase of 200,000
Target: ALK aspires to annually help 5 million people living with allergy by 2030



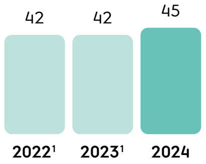
Employee headcount and turnover
2,812 / 17%
Decrease in employee headcount and increase in turnover due to organisational adjustments



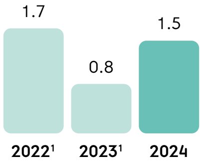
Suppliers with science-based targets
37%
Increase in share of suppliers with science-based targets to 37%
Target: 80% by 2028



Gender diversity
45%
Underrepresented gender in Executive Leadership Team and direct reports in management positions
Target: 40%



Work-related accident rate
1.5
6 work-related accidents with absence, leading to an increased lost time injury frequency rate of 1.5



[1] 2022 and 2023 figures are not covered by the Independent Auditor's limited assurance report on the Sustainability Statement

2025 outlook

2025 is expected to be yet another year of robust revenue and earnings growth, in line with ALK's long-term financial ambitions.

(Revenue growth rates are stated as organic growth in local currencies, unless otherwise indicated)

Revenue is expected to grow by 9-13% in local currencies, driven by growth across all sales regions and product groups. This growth will be predominantly attributable to higher volumes, as ALK expects to treat more patients with its allergy immunotherapy (AIT) and anaphylaxis products.

The EBIT margin is projected to further improve to around 25%, an increase of approximately 5 percentage points, driven by revenue growth, improving gross margin and optimisations.

The outlook is based on the following main assumptions:

Revenue

Tablets remain key to growth. Tablet sales are expected to grow by double digits in all sales regions, driven by a growing number of patients in treatment, including more children and adolescents following the paediatric launch of the house dust mite tablet and the anticipated paediatric launch of the tree tablet. ALK expects a reduced impact from price and rebate adjustment in 2025 compared to 2024 where these made a positive contribution to sales growth.

The combined SCIT/SLIT-drops sales are projected to continue their growth trend, primarily benefitting from higher volumes and market expansion in Europe, supported by improved pricing in North America.

Growth in the combined sales of Other Products (adrenaline, diagnostics, PRE-PEN®, and life science products) is projected to further improve, primarily benefitting from the expanded adrenaline portfolio (Jext® and *neffy*®).

ALK's European markets remain key to growth, however ALK also expects growth in its North American and International markets. As usual, the timing of product shipments to China and Japan may lead to quarterly fluctuations in revenue.

Costs

The gross margin is expected to improve slightly, mainly driven by higher revenue, changes to the sales mix, and production efficiencies. The in-licensing of *neffy*®, which will hold a lower gross margin, as well as inflationary pressure are expected to partly off-set the improvements.

R&D expenses are expected to increase in support of the peanut SLIT-tablet programme, pre-clinical development projects, and the clinical trial with ACARIZAX® in China. R&D expenses are expected to remain at around 10% of the projected revenue.

Sales and marketing as well as administrative expenses are expected to decrease slightly, as savings will offset the planned growth investments in e.g. the *neffy*® rollout and the paediatric launches. In 2024, non-recurrent one-off costs for optimisation and prioritisation initiatives totalled DKK 75 million.

Other assumptions

- The forecast assumes an average growth in the patient inflow in the 2024/25 initiation season in Europe, with growth indicated to be lower than the exceptional 2023/24 season, but better than the 2022/23 season.
- The in-licensing of the *neffy*® nasal spray is expected to contribute modestly to revenue growth from the second half-year, while investments in market building activities will adversely impact the EBIT margin.
- CAPEX investments are projected at around DKK 400 million, excluding potential *neffy*® milestone payments, and ALK assumes a continuous build-up of inventories broadly in line with revenue growth to support future growth. Free cash flow is expected to be positive at DKK 500-700 million
- Except for *neffy*®, no additional revenue is included from acquisitions, partnerships, or in-licensing activities, nor are any additional payments to M&A or additional in-licensing activities included.
- The outlook is based on current exchange rates, resulting in an immaterial effect on reported revenue and EBIT.

Forward-looking statements

This report contains forward-looking statements, including forecasts of future revenue, operating profit, and cash flows as well as expected business-related events. Such statements are subject to risks and uncertainties, as various factors, some of which are outside ALK's control, may cause actual results and performance to differ materially from the forecasts made. Such factors include, but are not limited to, consequences of pandemics, general economic and business-related conditions including: legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, competitive factors, reliance on suppliers and tariffs. Additional factors include the risks associated with the sourcing and manufacturing of ALK's products, as well as the potential for side effects from the use of ALK's products, as allergy immunotherapy may be associated with allergic reactions of differing extent, duration, and severity.

Please refer to the Risk management section on pages 24-27

Business and strategy

Introduction to Allergy+

Allergy+

ESRS 2-SBM1-40(e)

The Allergy+ strategy, launched in June 2024, builds on ALK's promise to provide life-changing solutions to the millions of people with allergy. The strategy is based on four pillars.

ALK will prioritise and **focus** the commercial activities to strengthen its global leadership in respiratory allergy. Key initiatives include targeted expansion of the respiratory tablets to new patient groups and geographies, efforts to increase prescription depth and breadth, digital mobilisation of patients and prescribers, and investments in high-impact markets.

To help more people with allergies, ALK will **innovate** and expand its R&D pipeline in a balanced way. ALK will maximise the value of existing core products and diversify the portfolio into food allergy, anaphylaxis and other adjacent, allergic diseases with potential to become new growth levers. The ambition is to become a market leader in each disease area.

Innovate

Focus

Aspire to annually help 5 million people living with allergy by 2030

Optimise

Cultivate

Activities and targets in the Allergy+ strategy are underpinned by ALK's commitment to **cultivate** the capabilities of its people and organisation to foster a strong performance culture through high engagement and conduct business sustainably by improving access to allergy care and reducing the environmental footprint.

To reduce complexity and maintain competitiveness, ALK will further **optimise** operations and scale for growth. Initiatives include streamlining the cost base, reducing structural complexities, and investing in digital infrastructure. ALK will continue to focus on high quality, expand production capacity and longer-term explore options to optimise the manufacturing set-up.

Strategy progress:

Review of Allergy+ implementation

2024 saw a re-allocation of resources to high-potential growth levers – market expansion, innovation, licensing, and capacity increases – with the largest potential to generate strong returns and the greatest impact for patients and prescribers.

In 2024, ALK took a series of steps to advance the Allergy+ strategy. The implementation of the strategy progressed as planned and the new strategy started to deliver the anticipated results.

Full paediatric coverage

S4-4

Key initiatives with respect to the current core products were the targeted expansion of the respiratory tablet portfolio to new prescribers and patients, particularly children, and new geographies.

Work intensified in 2024 to secure regulatory approvals to expand the product indications for the house dust mite (HDM) tablet and the tree pollen tablet to include young children, after authorities in Europe and North America accepted ALK's regulatory filings for review. The filings were based on the largest-ever phase III paediatric trials within the field, which ALK successfully completed in 2023.

In December 2024, the authorities in 21 European countries approved the HDM tablet, marketed as ACARIZAX®, for treatment of young children aged five to 11. Initial market introductions have taken place in ALK's largest market, Germany, and other key markets. Subject to approval, the HDM tablet is also projected to become available for young children in the first half of 2025 in Canada and the USA, where the tablet is marketed as ODACTRA®.

The regulatory reviews of the tree tablet ITULAZAX® are expected to be completed by mid-2025 in Europe and Canada, allowing this tablet to become available for children and adolescents ahead of the 2025/26 initiation season for pollen tablets.

Regulatory submissions for paediatric use have also been submitted in other markets, such as Switzerland, the UK, and Southeast Asia. During the second half of 2025, all five tablets are expected to be approved for all age groups – children, adolescents, and adults – in all key markets across the main respiratory allergies.

Leveraging full paediatric coverage of the tablet portfolio is anticipated to deliver a material contribution to ALK's medium- and long-term growth. ALK's commercial organ-

European children with moderate to severe house dust mite-induced allergy will soon gain access to treatment with ACARIZAX®.

isation advanced launch preparations in 2024 with further initiatives lined up for 2025. Launch activities will focus on all existing tablet prescribers as well as potential new prescribers in selected countries – paediatricians, ENT (ear, nose, and throat) specialists and other medical professionals, treating the millions of children suffering from uncontrolled respiratory allergies.

Growing the patient base

S4-4

In Europe, ALK continued its efforts to mobilise eligible patients, increase prescription depth and breadth among its key prescribers, and strengthen advocacy for registered, evidence-based treatment among regulators, payers, and prescribers. As a result, ALK's patient base saw double-digit growth, driven mainly by the tablet portfolio. To further leverage its strongholds and accelerate sales momentum, ALK increased investments in high-growth markets, while operations in a few other markets were downsized until market conditions improve.

NICE review in the UK

S4-4

In the UK, a recent recommendation from the prominent National Institute for Health and Care Excellence (NICE) has paved the way for ACARIZAX® to be included in the public National Health Service system, making it eligible for general reimbursement. ALK has submitted a similar application for NICE reviews regarding ITULAZAX®. Currently, the UK is the only major AIT market in Europe where ALK's tablets are authorised without adequate public reimbursement.

Expansion outside Europe

S4-4

In Japan – the most important contributor to ALK's tablet sales outside Europe – ALK is supporting its partner Torii in expanding manufacturing capacity for the Japanese cedar pollen tablet to meet high demand. The upscaled capacity is expected to become operational in late 2025. Meanwhile, Torii has initiated clinical development of ALK's grass pollen allergy tablet (GRAZAX®) with a view to expanding the current portfolio comprising CEDARCURE™, the only approved tablet for treatment of Japanese cedar pollen induced allergy, and MITICURE™ for treatment of HDM-induced allergy.

In India, ALK's partner Dr. Reddy's Laboratories obtained regulatory approval for ALK's HDM tablet for treatment of adults with uncontrolled HDM-induced allergic rhinitis and/or allergic asthma as well as adolescents with uncontrolled allergic rhinitis. The tablet, marketed as Sensimune™ in India, will be launched in 2025, as soon as an import license is in place.

Efforts to increase market uptake of tablets are also progressing in the Southeast Asian markets, served by ALK's partner Abbott, and in Canada. In 2025, ALK's product offering in Canada will be strengthened by the expected approval of tablets for use in children and the in-licensing of *neffy*®, as described below.

New clinical trial in China

In China, ALK has finalised the design of a new bridging trial with ACARIZAX®, after feedback from the authorities indicated that the existing clinical data package should be supplemented with further data from Chinese subjects. This was unexpected, given that ACARIZAX® is already approved in 45 markets. Subject to approval, the trial is expected to start in 2025 and enrol around 300 subjects. Contingent upon a successful outcome and regulatory approval, ACARIZAX® could be launched in China towards the end of the current strategy period.

In light of the delayed timeline for the tablet, ALK has reorganised its activities in China. In the short run, ALK's organisation will focus on growing sales of SCIT ALUTARD products in China, which is about to become the world's largest market for HDM AIT.

Building US sales channels

In the USA, the focus is on building new sales channels for tablets, especially among paediatricians, in addition to working with the existing prescriber base among relevant allergists. Some progress was seen in 2024, and the expected approval of the paediatric indication for ODACTRA® will further strengthen ALK's offering to this segment. Further steps will be investigated in 2025 to grow the prescription-based tablet business.

New innovations

In 2024, ALK progressed its activities in food allergy, strengthened the product portfolio in anaphylaxis, and pursued innovations to address new adjacent disease areas. The ambition is to become category leader in each area via in-house R&D activities and partnerships, and thereby build new revenue streams to complement the current core business in respiratory allergy.

Positive results in food allergy

At the end of 2024, ALK reported positive interim results from its phase I/II clinical trial for the peanut tablet. Data showed that the tablet was safe and well tolerated across multiple doses. No severe adverse effects and no cases of treatment emergent anaphylaxis were reported. The development has now advanced to phase II for dose finding and efficacy, and the first patients have already initiated treatment. Phase II involves around 125 patients in North America and is scheduled to complete in 2026 after which ALK intends to advance the peanut tablet programme into phase III after which it can be submitted for regulatory approval, expectedly towards the late 2020s.

ALK's future portfolio in food allergy also spans novel concepts in pre-clinical development, including tree nut allergy.

neffy® is the first and only approved adrenaline nasal spray for emergency treatment of anaphylaxis

Transformative *neffy*® deal

In emergency treatment of acute allergic reactions (anaphylaxis), ALK entered into a potentially transformative license agreement with US-based ARS Pharma. Against an upfront payment of DKK 1 billion and future milestone payments and sales royalties, ALK was granted exclusive rights to commercialise the *neffy*® adrenaline nasal spray world-wide, except for the USA, Australia, New Zealand, Japan and China.

EUR*neffy*® (the trade name for *neffy*® in Europe) has obtained market authorisation in the EU, and ALK expects to start launching the product in key markets from the second half of 2025 once local market access negotiations are completed. Filings for regulatory approvals have recently been submitted in the UK – Europe's largest anaphylaxis market – and in Canada – the world's third largest anaphylaxis market. *neffy*® also has potential in other markets e.g. some of the countries in Asia, the Middle East, and Latin America.

ALK expects *neffy*® and other future needle-free innovations to transform anaphylaxis treatment and substantially expand the currently under-served markets, as further described on page 17. ALK estimates that *neffy*® holds a long-term annual peak sales potential in anaphylaxis of up to DKK 3 billion in the licensed territories, where the product will be an important add-on to ALK's portfolio which covers the already marketed autoinjector Jext® and a next-generation autoinjector (the Genesis project), currently in late-stage development. With this portfolio, ALK is the only company offering both needle-free solutions and autoinjectors to the market.

New, adjacent disease areas

Under the agreement with ARS Pharma, ALK gains exclusive rights to any new indications in the licensed territories, enabling ALK to address new, adjacent disease areas. In 2025, ARS Pharma plans to begin a phase IIb clinical trial in people with acute flares due to chronic urticaria.

ALK has also initiated in-house innovation work to target new disease areas with strong scientific and commercial links to current portfolio and prescribers. Building on the core capabilities within clinical allergology and immunology, these efforts generally focus on allergic inflammatory conditions and mast cell driven pathologies in the broader allergy space. Targets are not currently disclosed. To fulfil its ambitions, ALK will also explore supplementing in-house development activities with potential licensing deals and partnerships.

Focus and priorities

In 2024, optimisation and prioritisation initiatives were implemented across ALK to reduce complexity and scale for future growth. Initiatives involved manufacturing and quality optimisations as well as downsizing of operations in certain markets with limited immediate growth prospects for AIT. The organisation in China was also adjusted to the new expected timeline for the ACARIZAX® launch. In total, more than 200 positions were made redundant, and ALK expects the optimisation initiatives to generate savings of more than DKK 300 million with effect from 2025, and thereby exceeding the original target.

In 2025, savings from these and other initiatives will partly support ALK's earnings growth and partly be reinvested in Allergy+ priorities to strengthen ALK's long-term growth and earnings trajectory. Priorities include investments in pipeline projects such as the peanut tablet development, the launches of *neffy*® and the tablets for paediatric use, and the strengthening of ALK's footprint in Northern, Western and Central European markets with sustainable demand for AIT and strong endorsement of evidence-based AIT from regulators, payers, and prescribers.

Status R&D pipeline

Over the past decades, ALK has pioneered the development of standardised allergen extracts, formulated as rapidly dissolving SLIT-tablets. ALK is now expanding its leadership and targeting new geographies and patient groups while also leveraging its technology and capabilities within food allergy and other related disease areas.

Therapeutic area and project name	Target indication	Phase
Respiratory allergy		
HDM SLIT-tablet	House dust mite allergic rhinitis – paediatric label extension in the USA and Canada	P 1 2 3 **R**
Tree SLIT-tablet	Tree pollen allergic rhinitis – paediatric label extension in EU and Canada	P 1 2 3 **R**
Grass SLIT-tablet	Grass pollen allergic rhinitis in Japan	P 1 2 3 R
HDM SLIT-tablet	House dust mite allergic rhinitis in China	P 1 2 3 R
Food allergy		
Peanut SLIT-tablet	Peanut allergy	P 1 **2** 3 R
Tree nut SLIT-tablet	Tree nut allergy	**P** 1 2 3 R
ALK 014 (biologic)	Food allergy	**P** 1 2 3 R
Anaphylaxis		
Adrenaline autoinjector	Emergency treatment of anaphylaxis	P 1 2 **3** R
Adrenaline nasal spray[1]	Emergency treatment of anaphylaxis in the UK, Canada, and other markets	P 1 2 3 **R**
New therapeutic areas		
Adrenaline nasal spray[1]	Acute flares in chronic spontaneous Urticaria (CSU)	P 1 **2** 3 R
ALK 014 (biologic)	Not disclosed	**P** 1 2 3 R

P = Pre-clinical, R = Registration, ● = Current phase, ◎ = Phase in preparation, ○ = Previous phase or phases to come

[1] Partnered with ARS Pharma

Global availability of tablets

The tablet for grass pollen allergy (GRAZAX® or GRASTEK®) is approved in 34 countries in Europe, North America, and the Asia Pacific region. Clinical development is ongoing in Japan in 2024.

The tablet for house dust mite allergy (ACARIZAX®, ODACTRA® or MITICURE™) is approved in 45 countries in Europe, North America, the Middle East, and the Asia Pacific region. Regulatory fillings for young children use are oingoing in the USA and Canada.

The tablet for tree pollen allergy (ITULAZAX® or ITULATEK®) is approved in 22 countries in Europe and Canada. Regulatory filings for young children use are ongoing in Europe and Canada.

The tablet for ragweed pollen allergy (RAGWIZAK® or RAGWITEK®) is approved in 15 countries in Europe and North America.

The tablet for Japanese cedar pollen allergy (CEDARCURE™) is approved in Japan.

Supply chain expansions and optimisations

ALK is also investing in continued supply chain expansions and optimisations to support gross margin improvements. To facilitate growth, tablet manufacturing capacity is being expanded to around 800 million units p.a. by 2030 within the existing footprint. Legacy production is also being upgraded, and a supply chain being established for the next-generation autoinjector. These efforts progressed as planned in 2024, and investments will continue in 2025.

2025 will also see a strengthening of procurement processes and capabilities to exploit economies of scale and streamline the supplier landscape, in addition to investments in AI and digital solutions.

Cultivating capabilities

ALK is also executing initiatives under the Cultivate strategic pillar, including working to deliver on its science-based CO_2 targets, strengthen its organisational capabilities to support future growth, conduct business in a sustainable manner, and deliver on diversity and inclusion targets.

Please refer to the Sustainability section on pages 36-105.

Efforts are on track to expand tablet production capacity to around 800 million units by 2030

Long-term financial ambitions

The Allergy+ strategy targets sustained growth in revenue and earnings to 2028 and beyond, supported by careful allocation of resources to high-potential growth levers.

ALK is targeting **average revenue growth of minimum 10%** in local currencies (5-year CAGR) from 2023 until 2028. The respiratory tablet portfolio remains key to this ambition, as ALK broadens its patient reach and leverages the planned full paediatric coverage.

Revenue grew by 15% in local currencies in 2024, while 9-13% growth is expected for 2025, implying an average revenue growth (CAGR) in the range of 12-14% from 2023 to 2025, which supports that ALK is on track to deliver on its long-term financial ambitions.

The EBIT margin improved to 20% in 2024. ALK is targeting an **EBIT margin of around 25% in 2025** after which earnings improvements beyond the ~25% margin will be re-invested in initiatives to bolster the long-term growth and profitability trajectory, such as commercial activities, R&D, business development, and infrastructure. This implies that the reported EBIT result after 2025 is expected to grow in line with revenue. This does not rule out the possibility that margins could be higher or lower than ~25% in the strategy period, depending on market conditions and the timing of strategic initiatives.

ALK will maintain an efficient capital structure with **a financial gearing of maximum 2 x NIBD/EBITDA** and will allocate capital in a disciplined way to deliver on its growth ambitions while also generating attractive shareholder returns. ALK expects free cash flow to improve, and cash will be allocated in the following order of priority: Investments in organic growth, including R&D (projected in the range from 10-15% of revenue p.a. in 2025-28); CAPEX (projected in the range from DKK 400-600 million p.a. in 2025-28); business development and licensing activities; and finally cash distribution to shareholders via dividends and/or share buyback programmes.

Despite the upfront payment of DKK 1 billion (USD 145 million) related to the licensing agreement for *neffy*®, the net debt to EBITDA ratio was only 0.4x in 2024. In 2025, the ratio is expected to further decrease and leave ample room for value-creating capital allocation.

Allergy+

≥10%

revenue growth
2023-28 (CAGR)

~25%

EBIT margin
from 2025-28

≤2

NIBD / EBITDA

Expanding the addressable markets

ESRS 2-SBM1-40(g);S4-4[1]

ALK addresses markets with a current value of around DKK 13 billion. The Allergy⁺ strategy aims at helping more people with allergies to a better life by unlocking the potential in existing markets and expanding into new therapy areas with high unmet needs.

(Market data below is own estimates, to the greatest extent possible based on external sources, including IQVIA and other local market data providers).

The global market for allergy immunotherapy (AIT) treatments – ALK's core business – is estimated to be worth around DKK 12 billion, measured in 2024 ex-factory sales. The AIT market is underpenetrated and geographically concentrated around Europe, North America, China, and Japan. Since 2019, the AIT market is estimated to have grown on average by high single digits, while ALK's revenue from tablets, injections (SCIT) and drops has grown by 12% p.a. (CAGR), thus strengthening ALK's market position as market leader.

[1] Numbers in this section have not been subject to the limited assurance on the sustainability statement carried out by the independent auditor.

Respiratory Allergy

>50 million
People eligible for AIT

~12bn DKK
Estimated AIT market value

~45% ALK share
of global market

ALK core business with high potential

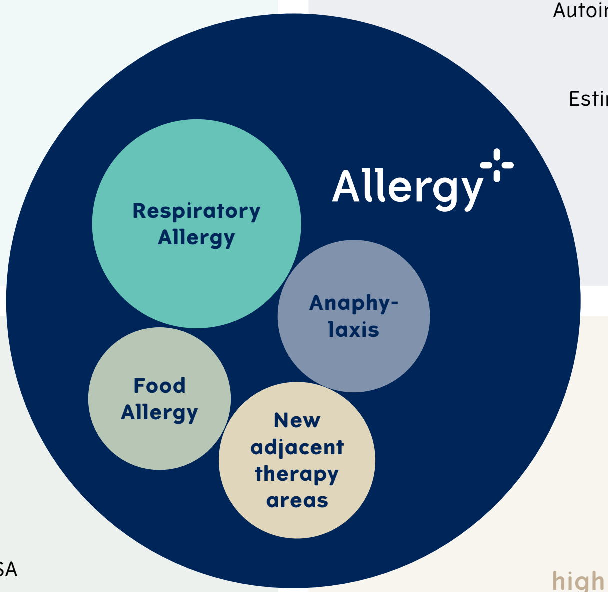
Anaphylaxis

>20 million
People at risk for anaphylaxis in Europe

~4 million
Autoinjectors sold in Europe per year

~1.4bn DKK
Estimated market value in Europe

Under-treated, high potential therapy area with the right innovation



Food Allergy

~200 million
People affected globally

~8%
of children are affected in the USA

~2.5 million
children (4-17) with peanut allergy in the USA and Europe

Therapy area with high unmet need, close to core with high potential

New adjacent therapy areas

Indications with high unmet needs and strong capability fit to ALK

Even so, respiratory allergy remains a disease area with significant under-treatment. At least 50 million people with severe uncontrolled symptoms would potentially be eligible for AIT treatment, but only around five million were estimated to receive AIT in 2024, hereof more than two million with products from ALK's AIT portfolio, which spans around 40 different allergies, excluding US bulk SCIT extracts.

Strong fundamentals

Although it varies considerably across geographies and age groups, the prevalence of respiratory allergy is on the rise, and research suggests that this trend will continue. Global warming, for instance, affects plant and pollen cycles, prolongs pollen seasons and causes species, such as ragweed, to spread to new regions. Urbanisation sees more people migrating to cities where they are exposed to higher levels of air pollution, while people living in sterile, urban environments do not enjoy the same protection as people in rural areas, where a wide range of microbial exposures lowers the risk of allergic sensitisation and disease.

Market expansion is a key part of ALK's Allergy+ strategy. Efforts include enlargement of AIT prescriber bases, digital mobilisation of eligible patients, advocacy for evidence-based medicines, and efforts to expand the reach of the respiratory tablet portfolio to certain new geographies and new patient groups, not least by leveraging the up-coming paediatric indications for the full tablet portfolio. Globally, it is estimated that more than ten million children, aged five to 11, have uncontrolled respiratory allergies and the number is growing.

Significant under-treatment

Anaphylaxis, currently ALK's second largest disease area, is also an area with significant under-treatment and high growth potential. In Europe alone, more than 20 million people are estimated to be at risk of experiencing severe, acute allergic reactions (anaphylaxis) after exposure to e.g. specific food, or bee or wasp stings, but only around 2 million Europeans carry recommended rescue medication, predominantly adrenaline autoinjectors (AAIs) such as ALK's Jext® pen. The number of AAIs sold in Europe has been growing by 8% p.a. over the last decade.

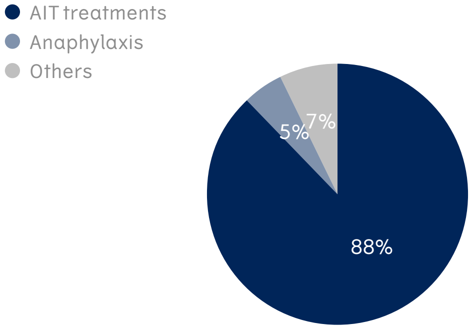
The recent in-licensing of *neffy*®, the world's first and only nasal spray for anaphylaxis treatment, allows ALK to cultivate markets in Europe and Canada – where the combined value of current AAI sales is estimated at around DKK 1.6bn (2023) – and high-potential markets in Asia and the Middle East. *neffy*® is expected to expand markets because the spray eliminates needle-related safety concerns, fear and hesitation, as demonstrated by other emergency medicines going from needles to nasal.

Food allergy on the rise

ALK's ambition in food allergy is to build a portfolio of treatments that address unmet medical needs among the ~200 million people affected worldwide, particularly children. The prevalence of food allergy is increasing, mostly driven by pollution, urbanisation, and dietary factors associated with cultural/social behaviours (e.g. obesity, vitamin D deficiency, dietary fat, etc.)

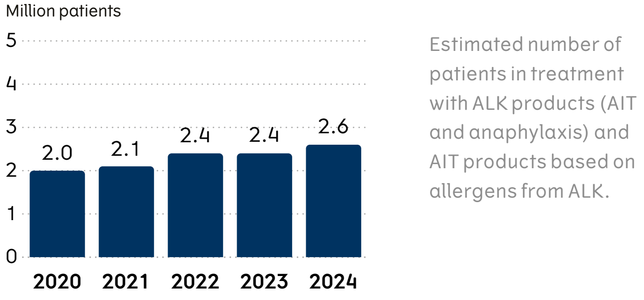
ALK's most advanced programme targets peanut allergy, the most common cause of severe, life-threatening food-related allergic reactions. The condition often manifests during childhood and persists into adulthood for up to 80% of patients. In the USA, peanut allergy affects up to 1.5 million children and adolescents, while in Europe, around one million children and adolescents are affected. Some reports suggest that the prevalence of peanut allergy has tripled over the last decade.

ALK's revenue split 2024



Others include diagnostics of allergens, diagnostics of penicillin allergy, and life science products

ALK targets 5 million patients annually by 2030



In 2023, a net increase of ~200,000 AIT patients was offset by fewer Jext® patients due to intermittent supply shortages. 2024 saw growth in the number of both AIT and Jext® patients.

Financial performance

Sales and market trends

ALK's full-year revenue in 2024 was DKK 5,537 million (4,824) after 15% organic growth in local currencies, reflecting continued growth across Europe and International markets. Europe was the key growth driver with double-digit growth in tablet, SCIT/SLIT-drops, and Jext® sales.

(Comparative figures for 2023 are shown in brackets. Revenue growth rates are organic and stated in local currencies, unless otherwise indicated)

Europe

Revenue in Europe grew by 22% in local currencies to DKK 3,914 million (3,216) with growth in all product lines.

The European AIT market continued to recover strongly from its weakness in the first half of 2023. In 2024, demand for AIT was strong and market conditions were largely positive with improved pricing in some markets and no significant changes to reimbursement. ALK's AIT sales increased in almost all markets with double-digit growth in most Northern, Central and Western European markets – including the region's largest market Germany – as ALK further progressed its efforts to activate patients, prescribers, payers, and key opinion leaders.

Following gains in market share in Germany and other key markets, ALK consolidated its position as market leader in European AIT in 2024, despite a softer sales performance in Italy and Spain after restructuring of the sales forces.

European tablet sales increased by 31%. The growth was due to higher volumes driven by the strong inflow of new patients starting treatment during the 2023/24 initiation season, particularly in Central, Western and Northern Europe, combined with price and rebate adjustments. Volumes accounted for roughly half of the growth while improved pricing, including rebate adjustments, accounted for the other half.

Tablet sales in the main market Germany continued to benefit from the accelerated market transition towards evidence-based, registered products, leading to strong double-digit sales growth. Across markets, tablet sales were less influenced by pan-European trading patterns at wholesaler levels than last year, although these movements are still impacting developments.

The number of new patients initiated on tablets during 2024 is estimated to have increased by more than 10%.

Combined sales of injection- and drop-based AIT products (SCIT/SLIT-drops) increased by 10%. Sales of SCIT progressed in most Central and Northern European markets, driven by higher volumes as well as price and rebate adjustments. Sales of SLIT-drops, marketed mainly in France, performed well with growth linked to higher patient inflow to existing and partly also new allergy doctors.

Sales of Other products and services (the Jext® adrenaline pen, diagnostics, etc.) increased by 32%, driven by the recovery in

Jext® sales. Jext® sales grew by 39% against 2023, where issues at a contract manufacturer limited market supply.

North America

Revenue in North America was unchanged in local currencies to DKK 906 million (908) and was impacted by a weak development in the region's main market, the USA, whereas performance in Canada was largely as expected.

Tablet sales increased by 15%, mainly on higher volumes in the USA and Canada. As previously announced, the impact from higher realised selling prices in the USA declined in the second half of the year.

Sales of the region's largest product group – SCIT bulk allergen extracts for primarily US allergists – were flat and performing below expectations due to competition considered to have decreased prices.

Sales of Other products (diagnostics, PRE-PEN®, and life science products) decreased by 7%, mainly due to discontinuation of lower margin life science customers and lower PRE-PEN® sales in the first half of 2024. The integration of the PRE-PEN® penicillin diagnostic operation was completed according to plan, but sales performed below expectations.

ALK is market leader in AIT in Canada and number two in the US market.

International markets

Revenue in International markets increased by 4% in local currencies to DKK 717 million (700). Progress was driven by growth in ALK's product shipments to the region's largest market, Japan, which together with China account for around 90% of revenue in this region.

Tablet revenue in the region was up 9%. Revenue from the main tablet market Japan (product shipments and sales royalties) grew by single digits and was somewhat impacted by phasing of shipments. Demand for AIT in Japan remains strong and Torii consolidated its position as market leader through continued growth in in-market tablet sales. However, capacity constraints as expected prevented Torii from fully meeting demand for CEDARCURE® in 2024. Although still small in scale, tablet sales continued to grow encouragingly in the Southeast Asian markets, operated by Abbott, and other minor markets.

Revenue from SCIT product shipments to China registered a double-digit decline as no shipments were sent to China during the renewal of ALK's import license in Q4 and due to in-market inventory adjustments. Chinese in-market sales of SCIT products continued to show double-digit growth supported by an expansion of the prescriber base. ALK consolidated its position as number two in the fast-growing Chinese AIT market.

Revenue by geography

ESRS 2-SBM1-40(a.ii, f)

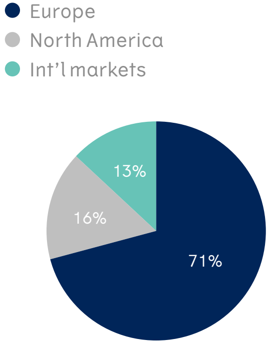
Amounts in DKKm	2024	Growth (l.c.)	2023
Europe	3,914	22%	3,216
North America	906	0%	908
Int'l markets	717	4%	700
Revenue	5,537	15%	4,824

Revenue by product line

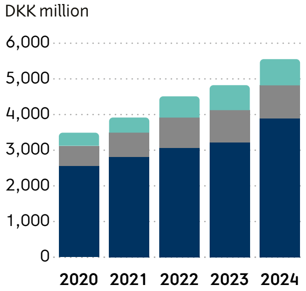
ESRS 2-SBM1-40(a.i, f)

Amounts in DKKm	2024	Growth (l.c.)	2023
SLIT-tablets	2,851	24%	2,296
SCIT/ SLIT-drops	2,052	6%	1,939
Other products	634	7%	589
Revenue	5,537	15%	4,824

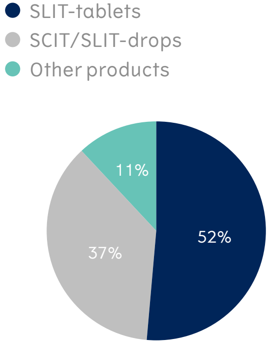
Revenue by geography



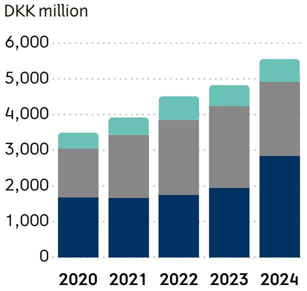
5-year revenue development by geography



Revenue by product line



5-year revenue development by product line



Financial highlights and key ratios for the ALK Group[1]

Amounts in DKKm/EURm[2]	DKK 2024	DKK 2023	DKK 2022	DKK 2021	DKK 2020	EUR 2024	EUR 2023
Income statement							
Revenue	5,537	4,824	4,511	3,916	3,491	742	647
EBITDA	1,363	911	708	534	395	183	122
Operating profit (EBIT)	1,091	666	470	292	150	146	89
Net financial items	(34)	(19)	(23)	(13)	(49)	(5)	(3)
Profit before tax (EBT)	1,057	647	447	279	101	142	86
Net profit	815	486	335	219	25	109	65
Average number of employees (FTE)	2,789	2,752	2,609	2,492	2,419	2,789	2,752
Balance sheet							
Total assets	8,246	6,726	6,308	5,830	5,563	1,105	902
Invested capital	5,003	3,765	3,400	2,931	2,807	671	502
Equity	5,373	4,447	3,988	3,480	3,153	720	597
Cash flow and investments							
Cash flow from operating activities	1,213	667	416	468	301	163	89
Cash flow from investing activities	(1,417)	(375)	(351)	(266)	(245)	(190)	(50)
– of which investment in intangible assets	(1,043)	(69)	(55)	(45)	(26)	(140)	(9)
– of which investment in tangible assetss	(260)	(310)	(298)	(218)	(196)	(35)	(42)
– of which acquisitions of companies and operations	(115)	-	-	-	-	(15)	-
Free cash flow	(204)	292	65	202	56	(27)	39

[1] Management's review comprises pages 1-105 as well as 'Financial highlights and key ratios by quarter for the ALK Group' on page 164.

[2] Financial highlights and key ratios stated in EUR constitute supplementary information to the Management's review. The exchange rate used in translating from DKK to EUR is the exchange rate prevailing on 31 December 2024 (EUR 100 = DKK 746) (31 December 2023: EUR 100 = DKK 745).

For definitions and reconciliation of alternative performance measures, see page 145.

Amounts in DKKm/EURm[2]	DKK 2024	DKK 2023	DKK 2022	DKK 2021	DKK 2020	EUR 2024	EUR 2023
Information on shares							
Proposed dividend	-	-	-	-	-	-	-
Share capital	111	111	111	111	111	14.9	14.9
Shares in thousands of DKK 0.5 each	222,824	222,824	222,824	222,824	222,824	222,824	222,824
Share price, at year end	159	101	96	172	125	21,3	13.6
Net asset value per share	24	20	18	16	14	3.2	2.7
Key figures							
Gross margin – %	64.2	62.9	61.9	61.2	58.1	64.2	62.9
EBIT margin – %	19.7	13.8	10.4	7.5	4.3	19.7	13.8
Return on equity (ROE) – %	16.6	11.5	9.0	6.6	0.8	16.3	11.5
ROIC incl. goodwill – %	24.9	18.6	14.8	10.2	5.5	24.9	18.7
Pay-out ratio – %	-	-	-	-	-	-	-
Earnings per share (EPS)	3.7	2.2	1.5	1.0	0.1	0.5	0.3
Earnings per share (DEPS), diluted	3.7	2.2	1.5	1.0	0.1	0.5	0.3
Cash flow per share (CFPS)	5.5	3.0	1.9	2.1	1.4	0.7	0.4
Price earnings ratio (PE)	43	46	63	172	1,092	43	46
Share price/Net asset value	6.6	5.1	5.4	11.0	8.8	6.6	5.1
Revenue growth – %							
Organic growth	15	9	13	12	8	15	9
Exchange rate differences	-	(2)	2	-	(1)	-	(2)
Acquisitions/divestments	-	-	-	-	-	-	-
Total growth revenue	15	7	15	12	7	15	7

Financial review

ALK's full-year operating profit (EBIT) increased by 65% in local currencies to DKK 1,091 million (666). Overall results were in line with the latest outlook issued in November 2024.

(Comparative figures for 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

Revenue increased by 15% in local currencies to DKK 5,537 million (4,824), mainly driven by a strong momentum for tablet sales, particularly in Europe. Exchange rates had an immaterial impact on reported revenue.

Cost of sales increased by 11% in local currencies to DKK 1,985 million (1,789). The **gross profit** of DKK 3,552 million (3,035) yielded an improved gross margin of 64% (63%), mainly reflecting volume growth, changes to the sales mix, improved pricing, and production efficiencies. As expected, these positive factors were somewhat offset by inflationary pressure on the cost base and minor one-off costs related to optimisation activities in product supply.

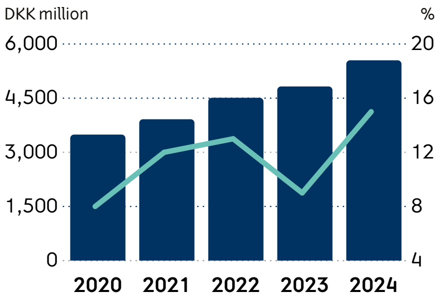
Capacity costs increased by 4% in local currencies to DKK 2,464 million (2,371). As planned, R&D expenses decreased by 14% in local currencies to DKK 531 million (618) reflecting last year's completion of late-stage clinical trials. Sales and marketing expenses were up 10% in local currencies to DKK 1,564 million (1,422), in support of continued growth. Administrative expenses increased 12% in local currencies to DKK 369 million (331), mainly linked to costs for the Allergy+ strategy process. Optimisation of resources and general savings contributed positively to the overall cost development.

Total costs included **one-off costs** of DKK 75 million (0) associated with optimisation initiatives in Europe and China which mainly impacted Sales and marketing expenses.

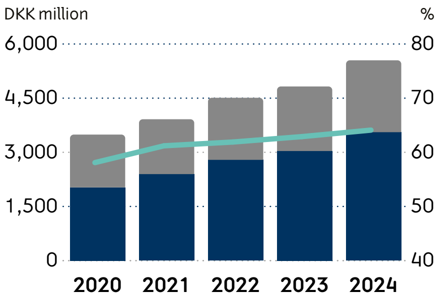
The operating profit (EBIT) amounted to DKK 1,091 million (666), an improvement of 65% in local currencies and 64% in reported currency. Despite the above-mentioned one-off costs, the EBIT margin progressed to 20% (14%) due to higher sales, gross margin improvements and a lower capacity cost-to-revenue ratio – the ratio was down to 45% (49%). Exchange rates impact on growth in reported EBIT was negligible.

Net financials showed a loss of DKK 34 million (a loss of 19) related to interest expenses and currency losses.

Revenue



Gross margin



2024 guidance history

DKK	2024E 8 Feb outlook	2024E 2 May outlook	2024E 21 Jun outlook	2024E 22 Aug outlook	2024 Actual
Revenue	9-12% (l.c.)	10-13% (l.c.)	12-15% (l.c.)	14-16%	15% (l.c.)
EBIT margin	17-19%	17-19%	18-20%	19-21	20%
Included one-off costs	0	60	60	60	75

Tax on the profit totalled DKK 242 million (161), and the **net profit** increased to DKK 815 million (486).

Cash flow from operating activities was DKK 1,213 million (667), as higher earnings were partly offset by changes in working capital, which mainly related to planned inventory build-up in support of future revenue growth.

Cash flow from investment activities was DKK minus 1,417 million (minus 375), reflecting investments in continued capacity build-up for tablet production, upgrades of legacy production, and the development of the next-generation adrenaline auto-injector. Investments also included an upfront payment of DKK 1 billion related the strategic licensing agreement for *neffy*® with ARS Pharma as well as acquisition of the PRE-PEN® operation in the USA.

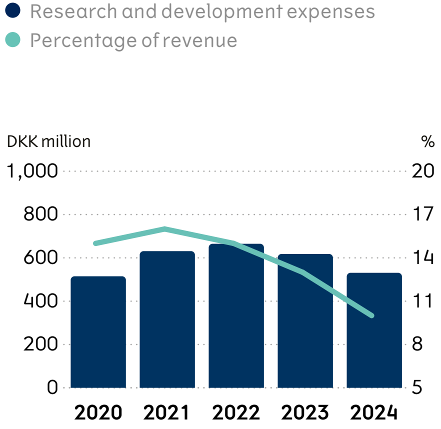
Free **cash flow** was DKK minus 204 million (positive at 292) following the upfront payment of DKK 1 billion (USD 145 million) to ARS Pharma related to the *neffy*® license agreement.

Cash flow from financing activities was DKK 310 million (minus 31), mainly from new borrowings related to the *neffy*® upfront payment.

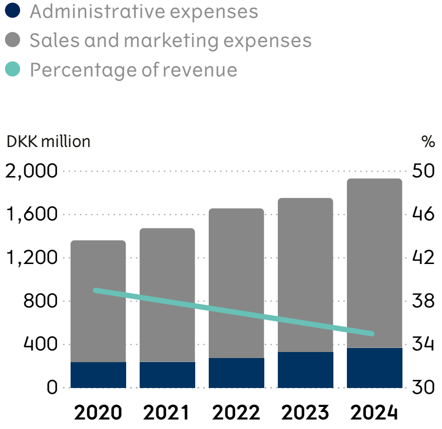
At the end of the year, ALK held 1,423,497 of its **own shares**, or 0.6% of the share capital, versus 0.7% at the end of 2023.

Equity totalled DKK 5,373 million (4,447) at the end of the year, and the equity ratio was 65% (66%). The net debt to EBITDA ratio (financial gearing) was 0.4 (0.3) at the end of the year.

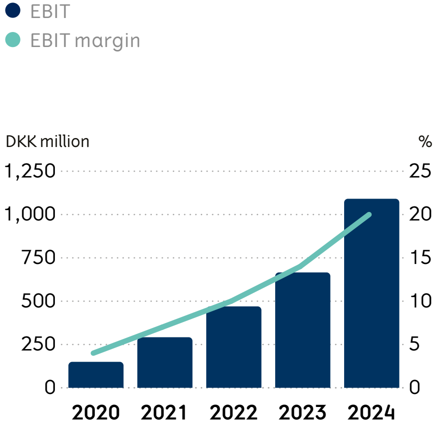
Research and development



Sales, marketing and administration



EBIT



Q4 review

Q4 revenue increased by 11% in local currencies to DKK 1,499 million (1,345), driven by the strong momentum in European tablet sales. Operating profit (EBIT) increased by 6% to DKK 205 million (194), reflecting a planned increase in costs to R&D and Sales and marketing as well as one-off costs.

(Comparative figures for Q4 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated).

ALK delivered 2024 full-year results in line with the most recent financial outlook, following a Q4 which saw 11% revenue growth, driven by a continued strong performance in Europe. Revenue growth was lower than in Q2 and Q3 due to previously announced factors: Fluctuations in the timing of product shipments to Japan and China, and a weaker sales performance in the USA.

Exchange rates had an immaterial impact on reported revenue.

Revenue in Europe increased by 22%, fuelled by a 32% growth in tablet sales which was driven by higher volumes linked to the inflow of new patients, combined with price and rebate adjustments. Combined sales of injection- and drop-based AIT (SCIT/SLIT-drops) increased by 11%, while sales of Other products (the Jext® adrenaline pen and diagnostics) increased by 37%, driven by the recovery in Jext® sales.

Revenue in North America decreased by 7%, reflecting a continued soft performance and a lower impact from recent improvements to the average selling prices for tablets in the USA.

Revenue from International markets decreased by 25%, reflecting planned phasing of tablet shipments to Torii in Japan and immaterial SCIT product shipments to China during the renewal of ALK's import license which is progressing according to plans. In-market sales in both markets continued to show double-digit growth.

The gross margin improved to 64% (63%), mainly reflecting changes to the sales mix, improved pricing, and production efficiencies. These factors were somewhat offset by inflationary pressure on costs.

Capacity costs increased to DKK 749 million (651) as ALK advanced its strategic investments. R&D expenses increased by 11% in local currencies and included costs to the peanut tablet development programme and the upcoming clinical trial with ACARIZAX® in China. Sales and marketing expenses increased by 16% in local currencies in support of the upcoming paediatric launches and high activity levels in key markets. Total costs included one-off costs related to the in-licensing of *neffy*®, as well as DKK 26 million related to the previously announced optimisation initiatives in Europe and adjustments of the Chinese organisation due to the delayed timeline for the ACARIZAX® approval. Excluding these one-off costs, the capacity costs to revenue ratio was unchanged at 48% (48%).

Operating profit (EBIT) was higher at DKK 205 million (194), mirroring higher sales and efficiencies across the business offset by strategic growth investments and one-off costs related to optimisation activities.

Revenue by geography

Amounts in DKKm	Q4 2024	Growth (l.c.)	Q4 2023
Europe	1,138	22%	928
North America	235	-7%	249
Int'l markets	126	-25%	168
Overall revenue	1,499	11%	1,345

Revenue by product line

Amounts in DKKm	Q4 2024	Growth (l.c.)	Q4 2023
SLIT-tablets	795	17%	677
SCIT/SLIT-drops	552	5%	522
Other products	152	2%	146
Overall revenue	1,499	11%	1,345

Income statement

Amounts in DKKm	Q4 2024	Q4 2023
Revenue	1,499	1,345
Cost of sales	545	501
Gross profit	**954**	**844**
Gross margin	*64%*	*63%*
Research and development expenses	167	151
Sales and marketing expenses	474	407
Administrative expenses	108	93
Operating profit (EBIT)	**205**	**194**
Net financials	(7)	(8)
Profit before tax (EBT)	198	186
Net profit	**170**	**140**
Operating profit before depreciation and amortisation (EBITDA)	281	258

Corporate matters

Risk management

ALK's Executive Leadership Team is responsible for the ongoing management of risks throughout the value chain, including risk identification, the assessment of probabilities and potential consequences, and the introduction of risk-reducing measures.

The Executive Leadership Team has a risk committee to assist it in meeting its overall responsibility for risk management. The Risk Committee comprises representatives from each functional area relevant to ALK's risk profile. The Risk Committee meets twice a year or more, as and when required to perform its tasks. Risks are systematically assessed according to a two-dimensional matrix, rating the potential impact and probability of each risk. A risk management report with key enterprise risks and recommended mitigation plans is presented to the Executive Leadership Team before it is submitted to the Board of Directors each year for their review and approval.

The following is a description of ALK's key enterprise risks, and the main initiatives taken to mitigate these risks. The risk movements compared to the previous year are indicated.

Risk impact

- The impact of the risk has increased compared to the year before
- The impact of the risk is stable and has not changed from the year before
- The impact of the risk has decreased compared to the year before

Commercial risks impacting revenue growth

Description
The degree of market approval and acceptance for a new product, or a new indication for an existing product, depends on several factors, including the demonstration of clinical efficacy and safety, cost-effectiveness, reimbursement/market access, convenience and ease of administration, potential advantages over alternative treatment methods, competition, and marketing and distribution support. If ALK's products, primarily tablets and anaphylaxis products, fail to achieve acceptance in major markets, this could have a significant impact on the company's ability to generate revenue.

Price pressures mandated by authorities can have a significant impact on the company's earning capacity. In most of the countries in which ALK operates, prescription drugs are subject to reimbursement from, and price controls by, national authorities and healthcare providers. This often results in significant price differences between individual markets. Exceptionally, governments and national authorities may introduce permanent or temporary economic measures that also affect the pricing and reimbursement of medicines, for example, because of a major economic downturn.

Fluctuations in geo-political stability, trade relations, or regulatory environments in key regions may disrupt business operations, and market access, leading to potential financial losses and reputational damage for ALK.

Risk mitigation
ALK closely monitors economic, market and regulatory developments as they relate to product pricing, along with the competitive situation and initiatives in all important markets. ALK regularly conducts surveys of market conditions and commits significant resources to providing information on allergy treatment to doctors and patients. ALK continues its focus on market access strategies, especially in the USA, China, Spain, Canada, and UK.

ALK actively engages in dialogue with authorities with the aim of securing fair pricing and reimbursement agreements and maintains a strong focus on its market access strategy. ALK is strongly committed to evidenced-based medicine, based on strong clinical and health economic evidence as the basis for pricing and reimbursement.

ALK consistently monitors the geo-political landscape and proactively implements mitigating measures in pertinent regions as needed.

2024 movement: ↗

Severe IT security breaches

Description
The threat of cyberattacks continues to intensify globally and ALK is no exception. Disruption to IT systems, such as severe breaches of data security, may occur across the global value chain, where well-functioning IT systems and infrastructure are critical for the company's ability to operate effectively.

Risk mitigation
ALK has an IT and cybersecurity strategy in place to prevent intruders from causing damage to systems or gaining access to critical data and systems. ALK continuously invests in upgrading IT security. Awareness campaigns, access controls, intrusion detection and prevention systems have all been implemented. Further initiatives are planned, and systems are regularly upgraded to increase network security.

2024 movement: →

Production and quality issues impacting product supply and patient safety

Description
ALK's products are subject to many statutory and regulatory requirements with respect to issues such as safety, efficacy, and quality. The products may be associated with side-effects such as allergic reactions of varying extent, duration, and severity. Meeting pharmaceutical quality standards is a prerequisite for the company's ability to supply products and hence its competitive strength, and for the company's earnings and sales.

As ALK continues to rationalise its product portfolio, there may be risks associated with the discontinuation of its products. Among others, these may include potential production interruptions at manufacturing sites during decommissioning and change-over work, loss of sales from products for which no suitable ALK substitute product exists, or inability to meet sudden spikes in demand for other products due to patients switching from discontinued products.

As part of its supply chain, ALK is dependent on selected key third parties for key production processes and supplies, which poses a risk for ALK's ability to deliver products, especially tablets, to the markets.

Risk mitigation
ALK stringently monitors product and manufacturing quality compliance and safety via quality assurance, pharmacovigilance and sales and marketing activities. If, despite the high levels of quality and safety, a situation should occur in which it is necessary to recall a product, ALK has procedures in place to ensure that this can be managed swiftly and effectively and in accordance with regulatory requirements. Production and manufacturing processes are subject to periodic and routine inspections by regulatory authorities as a regular part of their monitoring to ensure that ALK observes the prescribed requirements and standards.

ALK has invested significantly in recent years to increase the robustness and compliance of the legacy business by reducing manufacturing complexity, and all possible steps are taken during portfolio rationalisation work to mitigate any potential impact on other areas of manufacturing or the wider business. ALK conducts risk planning including the prevention of unwanted events, and preventive inventory management.

ALK manages key third-party dependency risks through long-term contracts, diligent production forecasting, monitoring, and joint steering committees. ALK continuously monitors its dependencies on key third parties and considers relevant risk mitigation measures including alternative supply setups.

2024 movement: →

Failures or delays in product development

Description
The future success of ALK depends on the company's ability to maintain current products and to successfully identify, develop and market new, innovative drugs.

A pharmaceutical product must be subjected to extensive and lengthy clinical trials to document qualities such as safety and efficacy before it can be approved for marketing. During the development process, the outcomes of these trials are subject to significant risks. Even though substantial resources are invested in the development process, the trials may produce negative results. The risk fluctuates over time in line with the extent and nature of ALK's product development activities.

Failures or delays in the development process, or in obtaining regulatory approvals, may have a major impact on patients who are not able to benefit from the products, and on ALK's ability to achieve its long-term goals.

Risk mitigation
ALK and its collaboration partners carry out thorough risk assessments of their research and development programmes throughout the development and registration processes, in the interests of risk mitigation to maximise the likelihood of the products reaching the market.

ALK's Scientific Committee is responsible for other patient/product-related innovation activities. The committee provides instrumental strategic sparring on matters relating to R&D activities and other patient/product-related innovation, including reviewing R&D programmes and the overall R&D pipeline.

2024 movement: ↗

Breaches of legal or ethical standards

Description
Compliance requirements are generally increasing in many areas, and as ALK expands into more markets, the company is exposed to more complex compliance requirements. Non-compliance with applicable regulations and legislation, or ALK's Code of Conduct, could negatively impact the company's good reputation which is essential to operating within the pharmaceutical industry. Patents and other intellectual property rights are important for developing and retaining ALK's competitive strength.

Risk mitigation
ALK strives to act professionally, honestly and with high integrity throughout the company in its dealings with stakeholders. ALK's Code of Conduct defines the company's high standards of ethical behaviour in relation to customers, employees, shareholders, society, suppliers, and partners. Each year, all employees are asked to sign and confirm their knowledge of the Code of Conduct and to take an online test. ALK has established a whistleblower scheme which allows for confidential and anonymous internal and external reporting of potential or suspected wrongdoing. Immediate action is taken on substantiated non-compliance.

Internal controls and policies are in place to safeguard ALK's intellectual property rights. The risk that ALK might infringe patents or trademark rights held by other companies, along with the risk that other companies might attempt to infringe ALK's own patents and/or trademark rights, are monitored and, if necessary, suitable measures are taken.

2024 movement: →

Talent retention and attraction

Description
ALK is dependent on being able to attract and retain employees across all key functions and markets to deliver on its strategy. Failure to attract, develop and retain the right talents may have a material impact on the company's market and research efforts.

Risk mitigation
Among other things ALK manages this risk by continuously monitoring and improving employee engagement, offering its staff opportunities to develop their professional competencies, and by continuously monitoring the total reward packages against the market. ALK is also focusing increasingly on how to position itself as an attractive employer, and how best to identify, attract and recruit future global and local talents with the skills and capabilities that will be required in the future.

2024 movement: ↘

Corporate governance and ownership

Corporate governance

ALK's statutory corporate governance statement for 2024 provides an account of ALK's two-tier management structure, including the composition, competencies, activities, self-assessment, and remuneration of the Board of Directors. The statement, which is prepared pursuant to section 107b of the Danish Financial Statements Act, also describes key elements of ALK's internal control and risk management systems related to financial reporting processes.

The full statement is available at https://ir.alk.net/financial-reporting/risk-management

Board composition

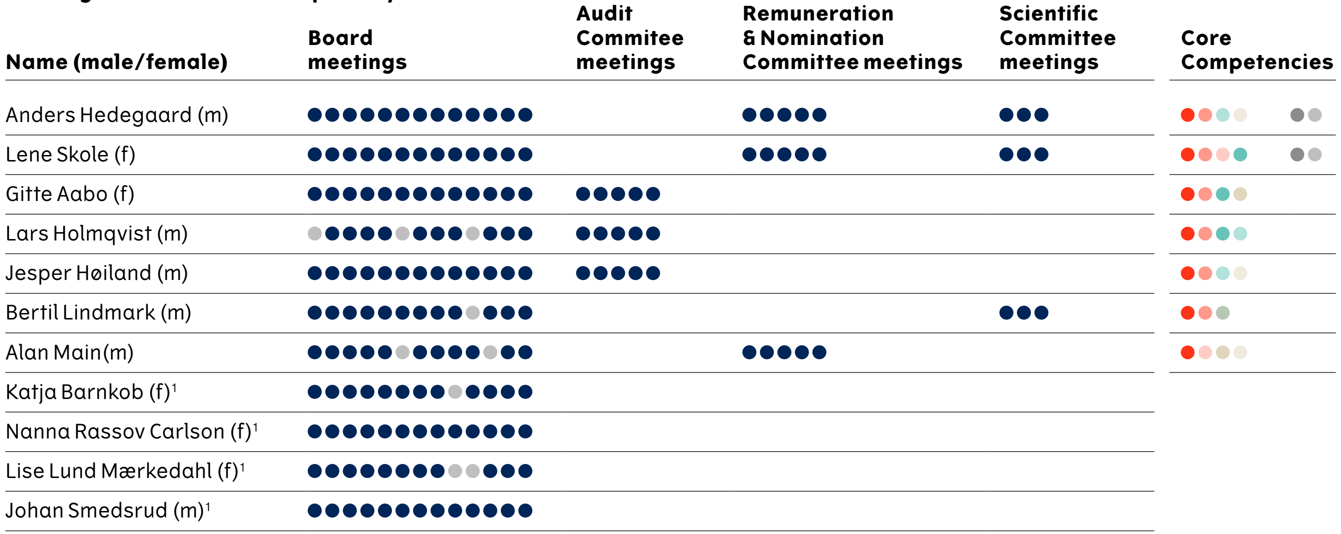
ESRS 2-Gov 1-21(a,b,d,e)

The Board of Directors consists of 11 non-executive members. Seven of the none-executive members, including the Chair and the Vice Chair, are up for re-election each year at the Annual General Meeting. Four members are employee-elected, each serving a four-year term (the last election was in 2023). No member of the Board of Management serves on the Board of Directors.

With two female members on the Board of Directors, ALK meets its target of having a minimum of two members (29%) of the underrepresented gender among the non-executive shareholder-elected members in accordance with section 107d of the Danish Financial Statements Act. Furthermore, three out of four employee-elected members are female.

At the Annual General Meeting in 2024, all shareholder-elected board members were re-elected. The Board of Directors has a preponderance of independent, shareholder-elected,

Meeting attendance and competency matrix



[1] employee-elected

Meeting attendance
- Attended
- Absent

Competencies

Core competencies
- Executive experience in a global company
- Life science industry
- Consumer healthcare / OTC
- Financial / Risk
- Commercial
- Digitalisation
- Experience with US market
- Research & Development

Role competencies: Chair & Vice Chair
- Experience at CEO level
- Board experience from other companies

Composition of the Board of Directors
ESRS 2-GOV1-21(a, b, d, e)

	2024	2023[1]
Number of non-executive members		
Number of shareholder-elected members	7	7
Number of employee-elected members	4	4
	11	**11**
Number of executive members	**-**	**-**
Independent members of the Board of Directors		
Percentage of independent members in shareholder-elected members	71%	71%
Percentage of independent members in shareholder and employee-elected members	45%	45%
Board gender diversity		
Male		
Shareholder-elected	5	5
Employee-elected	1	1
Total	**6**	**6**
Female		
Shareholder-elected	2	2
Employee-elected	3	3
Total	**5**	**5**
Ratio of female to male in shareholder and employee-elected members	**45%**	**45%**
Percentage of underrepresented gender in shareholder-elected members	**29%**	**29%**

Composition of the Executive Leadership Team[1] and their direct reportsin management positions
ESRS 2-GOV1-21(a, b, d, e)

	2024	2023
Executive Leadership Team and their direct reports in management positions		
Number of males	26	25
Number of females	21	18
Total	**47**	**43**
Percentage of underrepresented gender	**45%**	**42%**
Percentage of females in total workforce	**62%**	**62%**

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report.

members, as five board members (out of seven) in 2024 may be considered independent according to the definitions set by the Danish Committee on Corporate Governance.

All board members are presented on pages 33-34 of this annual report, while ALK's Executive Leadership Team is presented on page 35. Four members of the Executive Leadership Team are registered with the Danish Business Authority and legally constitute ALK's Board of Management.

Competency matrix for the Board of Directors
ESRS 2-GOV1-23(a, b); G1-GOV1-5(a, b)

The Board of Directors represents international business experience from management positions in a variety of industries, and particular regard is given to the members' insight into the management and globalisation of R&D driven companies. The Board also has overall expertise in sustainability matters that are material to ALK and sustainability knowledge is integrated into board committees and the Board itself. External advice on specific sustainability topics is obtained, if needed.

To assess whether all of the necessary core competencies are adequately represented, each shareholder-elected member of the Board has been asked to identify the primary competencies they bring to the Board, in the context of ALK's long-term strategy. Employee-elected members are not part of the competency assessment. For the Chair and Vice Chair, two additional competencies, specific to these roles, have been identified.

Governance recommendations
The Danish Committee on Corporate Governance has set out a series of recommendations on corporate governance which has been adopted by Nasdaq Copenhagen. ALK complies with all recommendations and the Board of Directors uses these recom-

mendations as inspiration for setting up structures, tasks, and procedures.

ALK accounts for its compliance with the recommendations in an annual 'comply-or-explain' review which is available at https://ir.alk.net/corporate-governance.

Remuneration

Remuneration of the Board of Directors and the Board of Management is determined in accordance with ALK's remuneration policy as adopted by the AGM in March 2024. The policy is prepared in accordance with sections 139 and 139a of the Danish Companies Act as well as items 4.1.1 - 4.1.6 of the latest Danish Corporate Governance Recommendations.

Highlights of the remuneration report
ESRS 2 – Gov 3; E1-GOV3-13

ALK's remuneration report for the Board of Directors and the Board of Management provides an overview of remuneration components, actual remuneration in 2024, its development over the past years, and the individual shareholdings of members of the Board of Directors and Board of Management. All remuneration for the Board of Directors and Board of Management in 2024 followed the principles and framework outlined in ALK's remuneration policy. The remuneration report for 2024 will be presented for an advisory vote at the AGM on 13 March 2025.

The report is prepared in accordance with section 139b of the Danish Companies Act and is available at https://ir.alk.net/corporate-governance.

Members of the Board of Directors each received a fixed annual fee, with the Vice Chair and Chair receiving double and triple the annual fee, respectively. Members also received an additional fee for serving as member or chair on the Board committees. The fees for serving on the Board and the Board committees remained unchanged in 2024.

The remuneration for the Board of Management consisted of both fixed pay elements (base salary and benefits) and variable pay elements in the form of short-term incentive (STI) and long-term incentive (LTI) plans. The programmes reward the attainment of pre-defined financial and non-financial targets linked to the company's strategy. The STI and LTI plans are governed by ALK's remuneration policy.

The remuneration policy is submitted for advisory approval at ALK's Annual General Meeting at least every four years. The remuneration policy allows for STI and LTI plans to include both financial and non-financial KPIs, including sustainability-related targets. The targets linked to the annual STI and LTI plans are approved each year by ALK's Board of Directors. In accordance with the remuneration policy, ALK's Board of Directors does not participate in short or long-term incentive schemes linked to company results.

Short-term incentive scheme (STI)

The KPIs for the STI include sustainability targets accounting for 15% of pay to the CEO and 11% for the remainder of the Board of Management. The sustainability targets reward ALK's Board of Management for successfully preparing ALK for the CSRD and EU Taxonomy reporting and for getting science-based CO_2 reduction targets approved. This supports ALK's ability to set additional sustainability targets in the future. The STI plan also rewards the achievement of gender balance in senior management and securing a high level of employee engagement.

Long-term incentive scheme (LTI)

Achievement of the LTI plan for 2022-2024 is linked to the fulfilment of both financial and sustainability targets with sustainability-related targets accounting for 10% of the plan for all members of the Board of Management. This is a grouped milestone that includes climate-related considerations. The LTI plan includes a previously established target linked to greenhouse gas (GHG) emission reduction, which does not align with the Science Based Targets initiative (SBTi) target reported under Disclosure Requirement E1-4. It also includes targets for increasing the share of the underrepresented gender in management positions at VP and Senior Director level to 34% and on increasing the number of patients benefitting from ALK's allergy products.

The variable pay elements were settled above target and reflect strong performance in the financial and non-financial KPIs defined for the STI and LTI plan. The general increase in base salary for members of the Board of Management was 3%, in line with the general increase for ALK employees in Denmark. There was no increase applied to the base salary for the CEO while the base salary for the CFO increased above the general level to align it more closely to market benchmarks.

Remuneration

Amounts in DKKt	2024	2023[1]
Board of Directors		
Base fee	4,900	4,820
Committee fees	1,138	1,137
Total	**6,038**	**5,957**
Board of Management		
Base salary	17,593	18,249
Short-term incentives (cash bonus)	13,320	7,852
Pension and benefits	3,364	2,434
Long-term incentives (grant value)	6,877	3,940
Total	**41,154**	**32,475**

[1] Including former members of Board of Management and excluding sign-on and severance payments. For further information, please refer to the Remuneration Report 2024

Shareholder base

ALK aims to have a diversified shareholder base in terms of geography, investment profile, and time horizon with shareholders sharing the company's vision and supporting its long-term strategy. To enable a fair valuation as well as regular trading of its shares, ALK provides relevant information on its strategy, goals, expectations, operations, performance, market development, R&D pipeline, and other matters of importance to the assessment of the share.

On 31 December 2024, ALK had 37,215 registered shareholders versus 39,766 at the end of 2023. The registered shareholders owned 97.8% of the share capital (97.3%). The vast majority of the largest registered shareholders were institutional investors, mainly from Denmark, other European countries, and North America. The international ownership was estimated at approximately 28% (28%), representing 46% of the free float of the B shares, excluding the Lundbeck Foundation's holding and treasury shares.

Return to shareholders

ALK is listed on the Nasdaq Copenhagen stock exchange under the ticker symbol ALK B. At year-end, the closing price of ALK B shares was DKK 159 compared to DKK 101 at the end of 2023, an increase of 57%. The total market value of ALK's B shares, excluding treasury shares, was DKK 32.0 billion (20.3) at year-end.

Dividend and capital structure

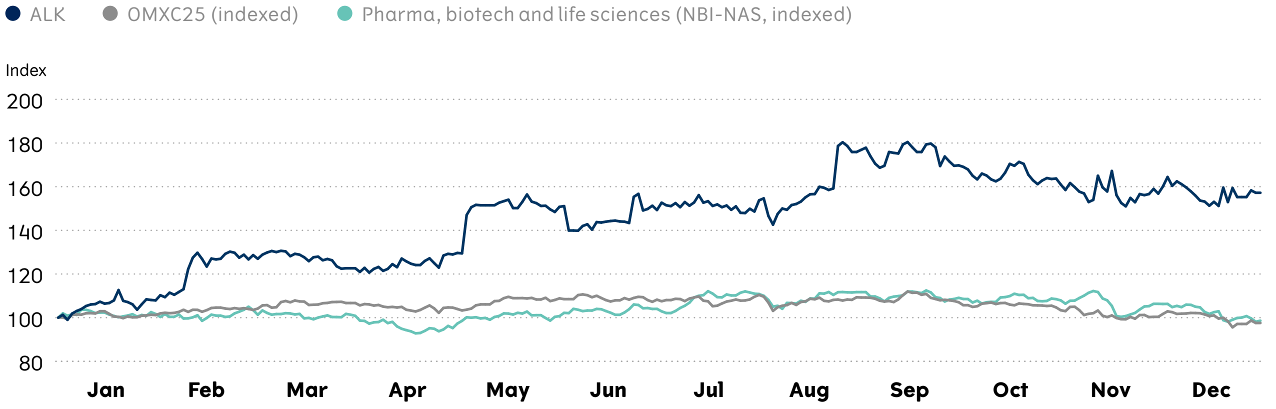
The Board of Directors considers that ALK's financial resources, including credit facilities, continue to form a sufficient basis for executing ALK's strategy and funding investments. At the end of 2024, net interest-bearing debt (NIBD) amounted to DKK 598 million and the Net Debt to EBITDA ratio stood at 0.4 (0.3), well-below ALK's long-term target of a maximum of two.

Shareholder overview as at 31 December 2024

Shareholder	Registered office	No of shares	Interest	Votes
Lundbeck Foundation[1]	Copenhagen, Denmark	18,414,400 A shares 1,841,440 AA shares 69,496,540 B shares	40.3%	67.2%
ATP[1]	Hillerød, Denmark	11,156,329 B shares	5.0%	2.8%
ALK[2] (treasury shares)	Hørsholm, Denmark	1,423,497 B shares (2023: 1,634,673)	0.6% (2023: 0.7%)	-
Board of Directors and Board of Management		109,027 (2023: 92,531)	<0.1% (2023: <0.1)	<0.1%
Other		800 A shares 80 AA shares 120,381,807 B shares	54.0%	29.7%

[1] This shareholder has reported to ALK that they held 5% or more of the shares on 31 December 2024.
[2] To meet obligations to deliver shares under the management incentive programmes, ALK holds a number of its own shares. The holding was reduced in 2024 following the settlement of share option and performance share programmes

The ALK share in 2024



To support investments in ALK's new strategy, the Board of Directors is extending its recommendation that dividend payments be suspended until ALK's cash flow further improves. Accordingly, the Board of Directors will propose to the AGM, that no dividends should be declared for 2024. The Board of Directors revisits the dividend policy and ALK's capital structure on an ongoing basis.

Up to and including 15 March 2027, the Board of Directors is authorised to increase the share capital by up to DKK 11,141,196, with or without pre-emption rights for existing shareholders.

The Board of Directors is authorised for the period until 22 March 2028 to let the company acquire its own B shares for a nominal value of up to DKK 11,141,196. The consideration for such shares may not deviate by more than 10% from the official quoted price of the B shares on the date of acquisition.

Investor Relations

During 2024, ALK representatives participated in many individual meetings and briefing calls with analysts and investors as well as conferences and seminars targeting various audiences. ALK also hosted a well-attended Capital Markets Day in June 2024 where management presented ALK's new strategy.

All regulated company announcements are available on ALK's corporate website together with reports, presentations, recordings of telephone conferences, share price information, analysts' estimates, and related information. Registered shareholders are encouraged to sign up on the InvestorPortal.

Find out more

- Trading information and core data on ALK's share: https://ir.alk.net/share-information

Contact Investor Relations

Per Plotnikof, Head of IR
Tel. +45 45747527

Financial calendar 2025

Annual General Meeting	13 March
Three-month interim report (Q1)	6 May
Six-month interim report (Q2)	21 August
Nine-month interim report (Q3)	13 November

Data ethics

ALK processes data from clinical trials, research and development, employees, customer interactions, and pharmacovigilance. Recognising the importance of responsibly managing stakeholder data, ALK adheres to its publicly communicated data ethics policy. This policy ensures strict compliance with privacy regulations and best practices to safeguard data confidentiality, integrity, and availability.

ALK maintains transparency about how data is collected, processed, and used. Data is only used to expand scientific and medical understanding, ensure patient safety, improve products and services, and deliver appropriate treatments. The Board of Directors regularly assesses this policy, which applies to all ALK employees. Relevant business units manage day-to-day data ethics, integrating these principles into their operations. This report complies with section 99d of the Danish Financial Statements Act.

Board of Directors

Anders Hedegaard
(1960, Danish, male)

Professional board member
Chair
Independent
Board member since 2020[1]
Chair of the Remuneration & Nomination Committee
Member of the Scientific Committee

Competencies[2]
Specific expertise within management and sales & marketing in international life science companies.

Directorships[2,3]
Ellab, Chair and chair of the Remuneration Committee
Rodenstock Group, Germany: Member of the Advisory Board
Candela Medical, USA: Board adviser

Lene Skole
(1959, Danish, female)

The Lundbeck Foundation, CEO and directorships at two other subsidiaries
Vice Chair
Not independent
Board member since 2014[1]
Member of the Remuneration & Nomination Committee
Member of the Scientific Committee

Competencies[2]
Experience in management, financial and economic expertise, experience in strategy and communication in international companies.

Directorships[2,3]
Ørsted A/S: Chair and chair of the Nomination & Remuneration Committee
Falck A/S[4]: Vice Chair and member of the Remuneration and Nomination Committee
H. Lundbeck A/S[4]: Vice Chair and member of the Remuneration & Nomination and Scientific Committees
Nordea Bank Abp, Finland: Vice Chair and member of the Audit Committee

Gitte Aabo
(1967, Danish, female)

Professional board member
Independent
Board member since 2021[1]
Chair of the Audit Committee

Competencies[2]
Global leadership experience and comprehensive understanding of international management, finance, IT, and sales & marketing, as well as insights into building digital communities.

Directorships[2,3]
UNION therapeutics A/S: Board member
Tobii Dynavox: Chair
GN Foundation: Chair

Lars Holmqvist
(1959, Swedish, male)

Professional board member
Not independent
Board member since 2015[1]
Member of the Audit Committee

Competencies[2]
Experience in management, finance, and sales & marketing in international life science companies, including med-tech and pharmaceutical businesses.

Directorships[2,3]
Biovica International AB, Sweden: Chair and member of the Audit Committee
H. Lundbeck A/S: Board member and member of the Audit Committee
The Lundbeck Foundation: Board member and Chair of the Investment Committee
Vitrolife AB, Sweden: Board member and member of the Audit Committee

Jesper Høiland
(1960, Danish, male)

Strategic adviser, PharmaCo Consult ApS
Independent
Board member since 2023[1]
Member of the Audit Committee

Competencies[2]
Management and commercial experience from 35 years with global pharmaceutical companies, including roles at Ascendis Pharma, Inc., Radius Health, Inc. and Novo Nordisk Inc., USA. Unique expertise in establishing and expanding commercial activities in North America, including product launches.

Directorships[2,3]
SciBase AB, Stockholm: Chair
Flen Health SA, Luxemburg: Director

[1] All members elected by the Annual General Meeting are up for re-election each year.
[2] ESRS 2-GOV1-21(c)
[3] Directorships do not include those for companies that are personally owned, fully or partly, by members of the Board of Directors.
[4] Board positions included in the position as CEO of the Lundbeck Foundation.

Bertil Lindmark
(1955, Swedish, male)

Chief Medical Officer, Vicore Pharma Holding AB
Independent
Board member since 2021[1]
Chair of the Scientific Committee

Competencies[2]
More than 30 years' experience of global executive R&D leadership in pharmaceuticals (Astra, AstraZeneca, Almirall) and biotech (ASLAN Pharmaceuticals, eTheRNA Immunotherapies, Galecto Inc.). Experience in multi therapy area and bringing-blockbuster therapeutics to market globally. Served on the Research Board of AstraZeneca. Participated in a range of IPOs, acquisitions, and debt-financing activities.

Directorships[2,3]
Aqilion AB, Sweden: Chair of the Board and member of the Remuneration Committee
Cellevate, Sweden: Director of the Board

Alan Main
(1963, British, male)

Senior Adviser, Canson Capital Partners
Independent
Board member since 2022[1]
Member of the Remuneration & Nomination Committee

Competencies[2]
More than 30 years of experience from the consumer healthcare industry, including roles in Sanofi, Bayer and Roche.

Katja Barnkob
(1969, Danish, female)

Senior Project Director, Global Clinical Development, ALK-Abello A/S
Board member since 2011
Employee-elected

Competencies[2]
Experience in project management of global drug development projects in the pharmaceutical industry.

Directorships[2,3]
The Lundbeck Foundation: Board member, employee-elected

Nanna Rassov Carlson
(1976, Danish, female)

Senior Manager, QA Release, ALK-Abelló A/S
Board member since 2019
Employee-elected

Competencies[2]
Expertise in production and release of ALK's active pharmaceutical ingredients for sublingual immunotherapy products.

Lise Lund Mærkedahl
(1967, Danish, female)

Project Director, Global Research, ALK-Abelló A/S
Board member since 2023
Employee-elected

Competencies[2]
Experience in the development of new vaccines, project management of drug discovery projects, and most recently governance of data digitalisation and AI projects.

Johan Smedsrud
(1972, Danish, male)

Senior Maintenance Supporter, Process & Production Support, ALK-Abelló A/S
Board member since 2019
Employee-elected

Competencies[2]
Experience in HVAC systems, cleanroom testing, utensil washing and sterilisation for the pharmaceutical industry.

[1] All members elected by the Annual General Meeting are up for re-election each year.
[2] ESRS 2-GOV1-21(c)
[3] Directorships do not include those for companies that are personally owned, fully or partly, by members of the Board of Directors.

Executive Leadership Team

Peter Halling
(1977, Danish)

Board of Management
President & CEO

Competencies
Executive management experience with a strong commercial and strategic background from pharmaceutical and biotech industries.

Peter Halling holds a master's degree in International Marketing & Management from Copenhagen Business School from 2003.

Directorships[1]
The Danish Chamber of Commerce

Claus Steensen Sølje
(1972, Danish)

Board of Management
Executive Vice President & CFO

Competencies
International experience in management, finance, and other CFO-related areas in the pharmaceutical/med tech industry.

Claus Steensen Sølje holds a master's degree in Economics from the University of Copenhagen from 1999.

Directorships[1]
Sonion A/S: Board member and member of the Remuneration & Nomination Committee
UV Medico A/S: Board member

Søren Niegel
(1971, Danish)

Board of Management
Executive Vice President, Commercial Operations

Competencies
Experience in management as well as global production and sales & marketing within the pharmaceutical industry.

Søren Niegel holds a master's degree in Economics and Business Administration from Copenhagen Business School from 1996.

Henriette Mersebach
(1971, Danish)

Board of Management
Executive Vice President, Research & Development

Competencies
Experience in management, innovation, and research & development in the pharmaceutical industry.

Henriette Mersebach holds a master's degree in Medicine from 1998 and a PhD in Medicine from 2004.

Christian G. Houghton
(1964, Danish)

Executive Leadership Team
Executive Vice President, Product Supply

Competencies
Experience within development of biopharmaceutical products and specialised in CMC development and supply operations.

Christian G. Houghton holds a master's degree in chemical engineering from DTU – Technical University of Denmark.

Directorships[1]
Appointed Chair of the Danish Pharmacopoeia Commission, Danish Medicines Agency

Jan Engel Jensen
(1966, Danish)

Executive Leadership Team
Senior Vice President, Global Quality

Competencies
Experience within quality assurance from the medical and pharmaceutical industry.

Jan Engel Jensen holds bachelor's degrees in Production Management, Business Administration, and a master's degree in Quality Management in Scientific R&D.

Lika Thiesen
(1975, Danish)

Executive Leadership Team
Executive Vice President, Global People & Organisation

Competencies
Experience in organisational change, people strategy and HR programme implementation from different stock-listed and equity-owned companies.

Lika Thiesen holds a master's degree and a PhD in Public Administration from Northern Illinois University, USA.

Jacob Glenting
(1974, Danish)

Executive Leadership Team
Senior Vice President, Global Strategy & Corporate Development

Competencies
Experience in pharmaceutical commercialisation, research & development, marketing, business development, strategy, and general management.

Jacob Glenting holds a master's degree in biochemistry, and a PhD in vaccine development.

[1] Directorships do not include those for companies that are personally owned, fully or partly, by members of the Executive Leadership Team.

Sustainability statement

General information

ESRS 2
General disclosures

Basis for preparation

ESRS 2-BP1
General basis for preparation of the sustainability statement
ALK has aligned its reporting with the European Corporate Sustainability Reporting Directive (CSRD), which is applicable to ALK from 1 January 2024, and Article 8 of the Taxonomy Regulation (EU) 2020/852. The sustainability statement has been prepared on a consolidated basis, covering the entire ALK group and subsidiaries, in line with the financial statements.

The sustainability statement is based on a Double Materiality Assessment (DMA) covering ALK's own operation as well as its upstream and downstream value chain. Policies, actions and targets also cover the value chain when related to its impacts, risks and opportunities. No information on intellectual property or know-how has been omitted.

For a detailed description of the scope, methodology and assumptions behind the DMA process, see ESRS 2 IRO-1 on pages 41-43.

ESRS 2-BP2
Disclosures in relation to specific circumstances
Time horizons
ALK defines the medium-term time horizon as the period ranging from over 1 to 3 years, and long-term as any timespan beyond 3 years. The time horizons are based on ALK's Enterprise Risk Management framework.

Sources of estimation and outcome uncertainty
The use of estimates for metrics, including data from the value chain, is outlined in the relevant accounting policies.
ALK identified the following estimates, assumptions and judgements as significant for the sustainability statement:

- "Purchased goods & services" (scope 3, category 1) greenhouse gas emissions (see E1-6 on page 54)
- "Water consumption for irrigation" (see E3-4 on page 60)
- "Gender pay gap" (see S1-16 on page 78)
- "Number of patients in treatment" (see S4-5 on page 85).

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
The sustainability statement has been prepared in compliance with Section 99a of the Danish Financial Statements Act, in accordance with the ESRS. Information prepared in compliance with Section 107d of the Danish Financial Statements Act has been included in the management review as well as in S1-1 on page 75.

Incorporation by reference
See appendix "Incorporation by reference" on pages 92-93 IBR for the list of datapoints incorporated by reference and phased-in, according to ESRS 2-BP2-16.

ESRS 2

Sustainability governance

ESRS 2-GOV1
The role of the administrative, management and supervisory bodies

ESRS 2-GOV2
Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ALK's governance model ensures that sustainability is systematically managed and integrated into decision-making and business strategy. It promotes long-term value creation while addressing societal and environmental challenges. The model defines clear roles and responsibilities and provides a framework for setting and monitoring sustainability targets.

Information about the composition, diversity, expertise and business conduct-related role of the administrative, management and supervisory bodies, according to ESRS 2-GOV1-21(a, b, d, e), ESRS 2-GOV1-23(a, b) and G1-GOV1-5(a, b), is incorporated by reference to the section "Corporate governance" of Corporate matters on pages 28-29.

Information about experience of Board of Directors' members relevant to ALK's sectors, products and geographic locations, according to ESRS 2-GOV1-21(c), is incorporated by reference to the section "Board of Directors" of Corporate matters on pages 33-34.

ALK's Board of Directors bears the overall responsibility for ALK's sustainability strategy including impacts, risks, opportunities and targets. The Audit Committee oversees sustainability disclosures, processes, controls and assurance, and the Remuneration Committee oversees sustainability-related remuneration.

ALK's sustainability governance model

Board of Directors
Overall responsible for ALK's sustainability strategy and targets

Audit Committee
Oversee sustainability disclosures, processes, controls and assurance

Remuneration Committee
Oversee sustainability-related remuneration

Executive Leadership Team
Approve all sustainability-related policies and strategy

Sustainability Committee
Oversee legal reporting requirements within sustainability. Make recommendations to Executive Leadership Team on matters with strategic impact on the global organisation

Corporate Finance Department
Responsible for accounting policies, internal controls, framework and guidelines for data processes and controls.

Sustainability Department
Responsible for the sustainability strategy implementation. Ensure compliance with legal reporting requirements as well as reporting to internal and external stakeholders

Corporate functions
Responsible for daily execution of strategic activities as well as collection of sustainability data

The Executive Leadership Team (ELT) is responsible for approval of all sustainability-related policies and strategy. The ELT reports to the Board of Directors.

The Sustainability Committee, led by the Executive Vice President for People and Organisation, oversees legal reporting requirements within sustainability and makes recommendations to the ELT on matters with strategic impact on the global organisation. The mandate of the Sustainability Committee is described in ALK's sustainability committee charter. In 2024, the Sustainability Committee focused on ensuring that ALK meets ESRS and EU Taxonomy reporting requirements. Meeting quarterly, the committee will in future also focus on implementing further due diligence programmes in the value chain and evaluating the effectiveness of policies, actions, metrics, and targets addressing impacts, risks and opportunities (IROs).

The Corporate Finance Department is responsible for accounting policies, internal controls, frameworks and guidelines for data processes and controls.

The Sustainability Department is responsible for the sustainability strategy implementation, ensuring compliance with legal reporting requirements, and reporting to internal and external stakeholders.

The corporate functions are responsible for day-to-day execution of strategic activities as well as collection of sustainability data.

ALK's IROs are integral to the company strategy. Risks identified in the DMA are incorporated into the ERM process. However, as DMA risks are gross risks and ERM includes risk mitigation, the methodologies cannot be fully aligned. The Risk Committee, chaired by the Chief Finance Officer, informs the Board of Directors about ERM risks.

ESRS 2-GOV3
Integration of sustainability-related performance in incentive schemes

Information about the integration of sustainability-related performance in incentive schemes, according to ESRS 2-GOV3 and E1-GOV3-13, is incorporated by reference to the section "Corporate governance" of Corporate matters on page 30.

ESRS 2-GOV5
Risk management and internal controls over sustainability reporting

The Sustainability Department is responsible for preparing the sustainability statement, overseeing the DMA process, and advising on data collection. The Corporate Finance Department collaborates closely on numeric data collection. Data is gathered quarterly for ongoing progress tracking and verification, with all information stored centrally.

Key challenges in creating unified sustainability disclosures across various business units and locations include human error and data misalignment. To minimise reporting errors, internal controls and standard operating procedures for critical metrics have been established based on a risk assessment, and a four-eye principle is applied. The Sustainability Committee, the ELT and the Audit Committee receive quarterly updates on progress on the sustainability statement. All data comply with the principles outlined by the ESRS.

ESRS 2-GOV4
Statement on due diligence

The statement on due diligence, according to ESRS 2-GOV4-32, is incorporated by reference to the appendix "Core elements of due diligence" on pages 94-95.

ESRS 2

Stakeholder engagement

ESRS 2-SBM1

Strategy, business model and value chain

- Information about ALK's key elements of general strategy, significant groups of products and services and significant markets and customer groups, according to ESRS 2-SBM1-40(a.i, a.ii, f) is incorporated by reference to the section "Sales and market trends" of Financial performance on page 19.

- Description of sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders, according to ESRS 2-SBM1-40(e) is incorporated by reference to the section "Introduction to Allergy+" of Business and strategy on page 9.

- Strategy elements that relate to or impact sustainability matters, including the main challenges ahead, critical solutions and projects to be put in place, according to ESRS 2-SBM1-40(g) are incorporated by reference to the section "Expanding the addressable markets" of Business and strategy on pages 16-17.

- Headcount of employees by geographical areas, according to ESRS 2-SBM1-40(a.iii) is incorporated by reference to the section "ALK at a glance" of the Introduction on page 5.

- The business model, according to ESRS 2-SBM1-42(a,b,c) is incorporated by reference to the section "Business model" of the Introduction on page 6.

ESRS 2-SBM2

Interests and views of stakeholders

Key stakeholders	How engagement is organised	Purpose of engagement	Examples of outcomes
Employees	• Engagement survey • Employee-elected board members • Workers' councils • Employee development dialogues • Employee meetings	• Strategic alignment • Understanding employees' perceptions and experiences • Defining training needs	• Human resources strategy • Improvement action plans • Training programmes • Employee information
Consumers and general public	• Various digital media platforms • Consumer websites, apps, email flows, etc.	• Creating awareness around allergies, symptoms, impact on quality of life and treatment options, etc.	• Improved awareness among consumers relating to allergies including symptoms, impact on quality of life, treatment options, etc.
Healthcare professionals	• Scientific webinars and symposia, scientific publications, clinical trial data sharing, etc.	• Awareness of allergy, including burden of disease and benefit-risk of available allergy treatment strategies	• Increased adoption and usage of evidence-based disease modifying allergy treatments • Correct identification and diagnosis of people with allergy • Clinical practice optimisation
Suppliers and contract manufacturers	• Contract negotiations • Third-party Code of Conduct implementation • Supplier meetings and correspondence	• Compliance with ALK's Third-party Code of Conduct • Commitment to Science-Based Targets initiative	• Reliable long-term partnerships • Adherence to ALK's business conduct standards and collaborative decarbonisation progression
Investors and shareholders	• Interim and annual reports, company announcements, websites, presentations, meetings and events • ESG ratings	• Enhancing transparency • Understanding expectations to sustainability • Attracting responsible investors	• Strong reputation • Access to capital • Fair valuation
Regulatory authorities	• Continuous interaction	• Compliance with regulations, safety and efficacy of medicines	• Compliance and market access

Active engagement with stakeholders is a fundamental aspect of ALK's sustainability strategy and is integrated in the overall strategy. The interaction shapes the understanding of material issues and supports the initiatives outlined in the sustainability roadmap. Internal engagement occurs across a broad range of functions including but not limited to finance, legal, environment, health and safety, procurement, people and organisation, R&D, commercial and the ELT.

The interests and views of stakeholder groups inform ALK's Allergy⁺ strategy and business model, including but not limited to:

- Results from regular engagement with employees through the workers' councils and engagement survey, integrated into the People and Organisation strategy and processes defined in the Cultivate pillar.
- ALK's ongoing interaction with representatives of healthcare professionals, patients and regulatory authorities, informing the Innovate and Focus pillars.
- Engagement with suppliers and contract manufacturers, informing the Optimise pillar.
- Engagement with investors and shareholders, handled though the Capital Markets Day, the Annual General Meeting and at meetings requested by larger investors on specific sustainability-related topics.

The stakeholder engagement during the materiality assessment process is described under ESRS 2-IRO1 on pages 41-43.

ALK's overall business model has not been amended in response to engagement with its stakeholders; however, ALK's strategy was updated in 2024 and the Allergy⁺ strategy was launched. The administrative, management and supervisory bodies are informed about the views and interests of affected stakeholders through the sustainability strategy updates.

ESRS 2
Materiality assessment process

ESRS 2-IRO1
Description of the process to identify and assess material impacts, risks and opportunities

In 2024, ALK updated its initial Double Materiality Assessment (DMA) from 2023 in a shortened review process, focusing on implementing regulatory changes as well as engaging with stakeholders to check for significant changes to the business model or value chain, or new sustainability-related information gathered throughout the year.

Implementing regulatory changes

Finalised European Sustainability Reporting Standards (ESRS) standards and European Financial Reporting Advisory Group (EFRAG) guidance published since 2023 led to adjustments to the DMA baseline. The main adjustments to the DMA 2023 include:

- A revision of initially identified positive impacts: positive impacts have only been deemed justified if they are business-model-related or if ALK performed well beyond standards.
- An update of the DMA workbook to ensure ESRS-aligned scoring, based on the finalised sustainability matter list of the ESRS in inherent (gross) format.
- A greater focus on capturing value-chain-related impacts, risks and opportunities.

Identifying sustainability matters

The initial phase focused on evaluating ALK's activities and business relationships, value chain and affected stakeholders, in order to identify relevant sustainability matters, as outlined in ESRS 1-AR16. ALK has used internal documents and representative internal resources as sources to identify sustainability matters. As far as possible, datapoints were triangulated across sources.

Parts of ALK's value chain were covered more extensively due to their large potential impact and the nature of ALK's business. External sources have been used to provide input on Environment, Social and Governance (ESG) issues with a heightened risk of adverse impacts. Furthermore, Sustainability Accounting Standards Board (SASB) publications for the biotech and pharmaceuticals sector were reviewed to ensure an industry-specific viewpoint focussing especially on the potential adverse impacts on the end-users.

Stakeholder engagement

For the DMA review, ALK engaged with internal subject-matter experts. These representatives covered the views and interests of affected stakeholders, including suppliers, end-users, employees and nature, ensuring that the scope encompassed the entire organisation. The unique nature of pharmaceuticals and the extensive regulation of the sector made their integration significant for ALK.

ALK conducted a human rights risk assessment as part of its DMA, identifying impacts from a human rights perspective (including labour rights). Insights were drawn from the engagement survey and consultations with relevant stakeholders. Relevant impacts were translated into corresponding risks or opportunities and mapped to ALK's strategic functional roadmaps.

Climate-related impacts, risks and opportunities

Climate-related impacts, risks and opportunities (IROs) were considered as part of the DMA process related to the sustainability topics of climate change mitigation and climate change adaptation. However, ALK has not yet undertaken a climate-related scenario analysis to inform the identification and assessment of physical risks and transition risks and opportunities over the short, medium or long term. As a result, ALK has not yet included a climate-related scenario analysis in the resilience analysis of its strategy and business model.

The scope, methodology and assumptions for greenhouse gas emissions are described in detail in the accounting policies on pages 71-72.

Pollution-related impacts, risks and opportunities

As part of the DMA process, stakeholder representatives were consulted to identify and assess pollution-related impacts. Site-specific data was collected as a part of the assessment. All production sites purchase substances of concern, therefore they are all deemed material for the pollution-related impacts (see accounting policies for list of the sites on page 71).

Water and marine resources-related impacts, risks and opportunities

The World Wildlife Fund (WWF) Water Risk Filter was used to identify material impacts related to water and marine resources at ALK's production sites. Potential negative impacts linked to water-scarce regions were also identified and assessed using the Aqueduct Water Risk Atlas tool from the World Resources Institute (WRI). Internal stakeholder representatives identified and assessed impacts, in ALK's own operations and value chain. ALK has not conducted consultations directly with affected communities.

Biodiversity and ecosystem-related impacts, risks and opportunities

As part of the DMA, a review was conducted to determine which sites should be included in the evaluation of potential and actual biodiversity and ecosystem IROs. This review focused on filtering sites involved in farming processes, as they were deemed to have the most significant potential impact on biodiversity. The review concluded that, after applying this filter, only one site – Post Falls (USA) – met the criteria. This site met the materiality threshold and was thus deemed material in relation to biodiversity impacts.

To identify ALK's actual and potential impacts on biodiversity and ecosystems, ALK has conducted an assessment using the WWF Biodiversity Risk Filter. The analysis followed the WWF technical guide. No transition or physical risks, including systemic risks and opportunities were identified using the WWF Biodiversity Risk Filter.

Engagement with stakeholder representatives was also used to identify and assess impacts at the Post Falls site, particularly from cultivation and collection of allergenic source materials.

ALK's only material site, Post Falls (USA), is not located in or near biodiversity-sensitive areas. ALK has not found it necessary to implement biodiversity mitigation measures.

Resource use and circular economy-related impacts, risks and opportunities

As part of the DMA process, stakeholder representatives were consulted to identify and assess impacts related to resource use and circular economy. Site-specific data was collected as a part of the assessment. All production sites generate waste, therefore they are all deemed material for the related impacts (see accounting policies for list of the sites on page 71).

Business conduct-related impacts, risks and opportunities

For business-conduct-related IROs, an industry and geographical perspective was applied.

Materiality scoring approach

The scoring methodology and criteria used in the DMA were defined in accordance with the requirements in ESRS 1, applying the principle of double materiality which comprises:

Impact materiality: Scale, scope, irremediability, and likelihood of impacts (based on whether an impact is positive/negative and actual/potential).

The threshold for human rights-related impacts was lowered based on ESRS 1-45 requirements.

Financial materiality: Financial magnitude of risk/opportunity, likelihood, and the nature of the financial effect.

The threshold applied for the financial effect scale is consistent with the materiality threshold in ALK's Enterprise Risk Management (ERM) framework.

Internal stakeholders who identified the risks and opportunities assessed their magnitude and likelihood to the best of their knowledge.

All IROs were assessed and scored at a gross level. A sustainability matter was deemed material if at least one IRO was above the threshold, indicating either impact materiality or financial materiality, or both. Non-material sustainability matters were those where no IRO was identified and/or all IROs were found to fall below these thresholds. The IROs and their scoring were evaluated and finalised at a workshop with the stakeholder representatives.

In the initial 2023 DMA, some topics were easily deemed material, based on ALK's industry and business model. ALK focused its efforts on assessing the materiality of matters with greater scoring uncertainty. Special attention was given to sustainability matters with no identified IRO to ensure that no significant IROs were overlooked and the assessment accurately reflected ALK's business.

The 2024 DMA result was presented and approved by the ELT, the Audit Committee and the Board of Directors.

Decision-making and internal controls

In the DMA, there were three key decision points:

Key decision point	Decision making	Internal control procedures
Identification of internal stakeholders	The identification was carried out by ALK's sustainability director	• Check that all sustainability matters were covered by internal stakeholders. • Check that all sustainability matters had identified IROs throughout the stakeholder engagement process. If none were identified, a sanity check with key stakeholders was performed, to see that this was sensible in light of the nature of the business.
Appropriateness of thresholds	ALK's sustainability director and senior management	• Financial materiality threshold was set based on ERM thresholds. • Impact materiality threshold was set based on key human rights-related considerations and following the ESRS methodology. • Thresholds were revisited in 2024 at a workshop held by senior management to reflect on the fit of the complete DMA result to key stakeholder considerations.
Scoring of IROs	Scoring of IROs was conducted by internal stakeholders	• Scoring included a description of rationality for each IRO. • Scoring was based on ESRS guidelines with a consistent method. • ERM information was utilised where relevant.

The process to identify, assess and manage sustainability impacts and risk including the use of tools is separated from the overall risk management process. Some members of the Risk Committee are also members of the Sustainability Committee to ensure that sustainability risks are also reflected in the ERM risk overview where relevant.

Future steps: integration, monitoring, and review

The process was guided by ALK's sustainability-related due diligence, including internal policy reviews, the whistleblower channel, and ERM. The DMA assesses risks and opportunities in relation to sustainability matters from a sustainability perspective and assesses the gross risk from these. ALK's ERM process is separated from the DMA process and includes risk mitigation in the scoring. ALK will review the DMA on an annual basis, considering trends, business context, key supplier changes, and regulations. This shortened review will be conducted annually unless significant changes in the business model, value chain, or methodology are detected.

Output from the materiality assessment

The results of ALK's 2024 DMA can be seen below. There were no changes in materiality at the topical level compared to the previous reporting year; however, some sub-topics were moved from double material to financial or impact materiality, while others became non-material after the 2024 DMA review.

In total, 178 IROs were identified and evaluated during the DMA. Of those, 97 impacts were identified, of which 30 were deemed material. 81 risks and opportunities were identified, of which 8 were deemed material. The IROs were consolidated and mapped to 22 material sustainability matters. Once completed, validated and approved, all material disclosure requirements and datapoints were further assessed to determine the final scope of reporting disclosures.

ESRS 2

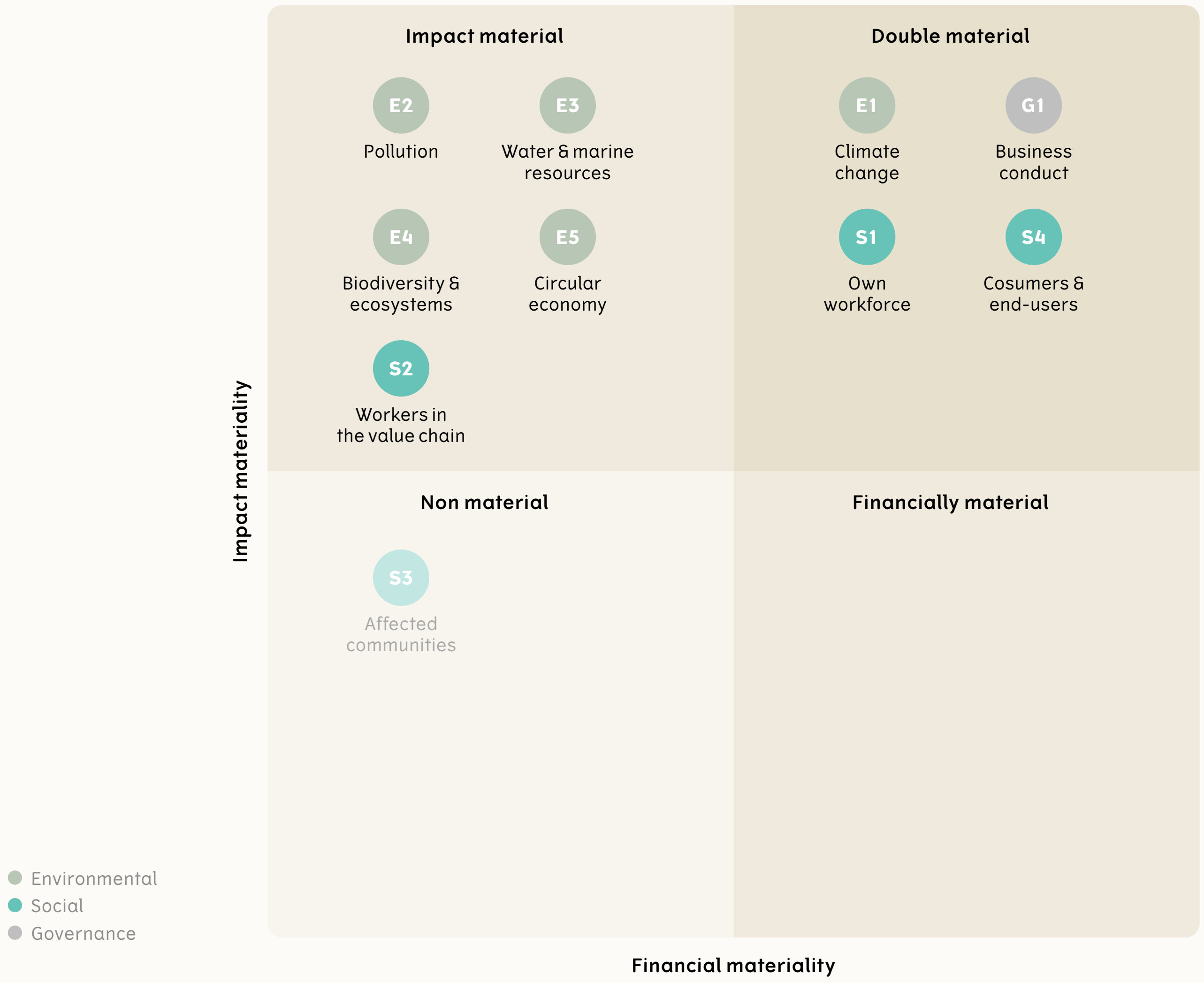
Material impacts, risks and opportunities

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

The material IROs identified during the DMA are described and presented below and alongside the topical standards:

- E1 - Climate change, on pages 49-55
- E2 - Pollution, on pages 56-57
- E3 - Water and marine resources, on pages 58-60
- E4 - Biodiversity and ecosystems, on pages 61-62
- E5 - Resource use and circular economy, on pages 63-66
- S1 - Own workforce, on pages 74-80
- S2 - Workers in the value chain, on pages 81-82
- S4 - Consumers and end-users, on pages 83-85
- G1 - Business conduct, on pages 87-90.



Material impacts, risks and opportunities

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
E1 – Climate change							
Emissions from own operations ALK generates greenhouse gas (GHG) emissions through its direct operations (scope 1) and purchased energy (scope 2). These emissions contribute to climate change.	Actual negative impact		●		●	●	●
Use of refrigerants contributing to climate change ALK uses refrigerants to cool raw materials, pharmaceuticals and production areas. If released, these refrigerants are GHGs that contribute to climate change.	Actual negative impact		●		●	●	●
Value chain emissions ALK's value chain generates GHG emissions from purchased goods and services, capital goods, upstream and downstream transportation & distribution, and business travel. These emissions contribute to climate change.	Actual negative impact	●		●	●	●	●
Climate change and respiratory health[1] Climate change threatens respiratory health by extending pollen seasons, increasing airborne allergens and promoting mould growth. This represents a market opportunity for ALK.	Opportunity		●				●

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
E2 – Pollution							
Usage of REACH substances in production ALK uses chemicals regulated by the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) Regulation, including Substances of Concern with potential environmental and health impacts.	Actual negative impact		●		●	●	●
E3 – Water and marine resources							
Water consumption in production facilities The consumption of water in production facilities can contribute to local water scarcity, impacting availability and increasing water costs for surrounding communities. Reduced water availability may also impact local ecosystems and agriculture, and increase wildfire risks.	Actual negative impact		●		●	●	●
Usage of water in operations in water-scarce regions ALK's Madrid (Spain) production site operates in a high-water stress area. Climate change and periodic droughts could further constrain water resources, potentially affecting the local population.	Potential negative impact	●			●	●	●

[1] "Climate change and respiratory health" has been identified as an opportunity in both E1 Climate change and S4 Consumers and end-users.

Material impacts, risks and opportunities

	IRO	Location in the value chain: Upstream	Location in the value chain: Own operations	Location in the value chain: Downstream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term
E4 – Biodiversity and ecosystems							
Hornets and wasps eliminated for venom harvesting Wasp and hornet nests are removed to collect venom for the active pharmaceutical ingredients in ALK's medicinal products. Wasps and hornets are eliminated during the harvesting process.	Actual negative impact		●		●	●	●
E5 – Resource use and circular economy							
Use of non-recycled paper, single-use aluminium and single-use plastic The use of single-use plastic, aluminium bottles and non-recycled paper in production have environmental impacts during manufacturing and disposal.	Actual negative impact		●		●	●	●
Pharmaceutical standards on products leaving minimal leeway for circularity in product design The pharmaceutical industry is highly regulated, requiring high standards for quality and sterility, which results in plastic waste and limited possibilities for circularity.	Actual negative impact		●		●	●	●
Operational waste partly disposed in landfills Some of ALK's operational waste goes to landfills. The impact varies depending on local waste management infrastructure and regional regulations. Limited recycling facilities in some areas hinder material recovery.	Actual negative impact		●		●	●	
End of life of products In some countries, limited recycling infrastructure for end-of-life of medical products hinders the recovery of reusable materials and recyclable packaging.	Actual negative impact			●	●	●	●

Material impacts, risks and opportunities

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
S1 – Own workforce							
Decline in employee competencies due to inadequate skill upgrading The skills of ALK employees decline over time as business develops and new competences are required. Individual development plans linked to job content and performance goals are required to promote continuous learning and skill-building, enhancing the ability for employees to meet job expectations and maintaining employ-ability.	Potential negative impact		●		●	●	●
Employee retention, attraction and development challenges ALK relies on the retention and attraction of skilled employees to stay competitive and achieve its business strategy. The health-care industry in general faces persistent high demand for skilled labour in key locations.	Risk		●				●
Injuries due to workplace accidents in farming and production Employees working in farming and production are at increased risk of workplace accidents. Workplace accidents can cause physical harm, affect mental well-being, and impact employee morale and productivity.	Actual negative impact		●		●		

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
S2 – Workers in the value chain							
Health- and safety-related incidents involving workers in the value chain Workers across the value chain can encounter health and safety incidents, especially workers exposed to hazardous substances, transporta-tion workers, and workers handling hazardous waste.	Potential negative impact	●		●	●	●	●

Material impacts, risks and opportunities

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
S4 – Consumers and end-users							
Allergy treatment ALK's allergy treatments significantly improve patients' quality of life and personal well-being by addressing a wide range of allergies, including potentially life-threatening conditions like anaphylaxis and insect venom reactions.	Actual positive impact			●	●	●	●
Barriers to access Allergy treatment must be prescribed by a healthcare professional, and is often not prioritized by healthcare systems, creating barriers for patients. Treatments are typically affordable through public or private insurance, but high costs can limit access for uninsured or low-income individuals.	Actual negative impact			●	●	●	●
Patient safety Allergy treatments are effective in most cases but not all. If treatment is ineffective, limited alternatives leave individuals without potential benefits, directly impacting their well-being and safety.	Actual negative impact			●	●	●	●
Climate change and respiratory health[1] Climate change threatens respiratory health by extending pollen seasons, increasing airborne allergens, and promoting mould growth. This represents a market opportunity for ALK.	Opportunity		●				●

[1] "Climate change and respiratory health" has been identified as an opportunity in both E1 Climate change and S4 Consumers and end-users.

	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
G1 – Business Conduct							
Animal welfare ALK conducts animal testing to ensure its medicines are safe and effective, using animals only when alternative models are insufficient. Regular experiments involve allergen injections on mice in internal R&D facilities. The negative impacts include injections, captivity and euthanasia.	Actual negative impact		●		●	●	●
Potential bribery of healthcare professionals The pharmaceutical industry, including ALK, faces bribery and corruption risks, especially in interactions with healthcare professionals. The main risk is potential bribery to boost sales which could lead to significant legal, reputational, and financial repercussions.	Risk			●	●		

ESRS 2-IRO2

Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Thresholds used for the DMA process are described in ESRS 2-IRO1 on page 42.

The content index of ESRS disclosure requirements and the list of datapoints that derive from other EU legislation, according to ESRS 2-IRO2-56, are incorporated by reference to the appendices "Content index of ESRS disclosure requirements", on pages 96-98, and "List of datapoints that derive from other EU legislation", on pages 99-105.

Environmental information

E1 Climate change

Strategy

E1-1

Transition plan for climate change mitigation

In January 2024, the Science Based Targets initiative (SBTi) validated and approved ALK's absolute CO_2 reduction targets. The targets align with the latest climate science to achieve the Paris Agreement goals, limiting global warming to 1.5°C. While changes to ALK's business model will not be necessary, specific actions will be implemented following different decarbonisation levers.

Decarbonisation levers

ALK's transition plan is focused on reducing carbon emissions from its own operations. This is achieved through the following levers:

- Transitioning towards renewable energy,
- Electrifying boilers and the company vehicle fleet,
- Substituting refrigerant chemicals in coolers,
- Implementing energy efficiency measures.

Further details on decarbonisation levers and climate change mitigation actions undertaken in 2024 are provided in E1-3 on page 51.

ALK recognises the presence of certain locked-in emissions and has considered them during target setting and reduction action planning. These emissions do not jeopardise the attainment of the greenhouse gas (GHG) emission reduction targets.

Embedded in strategy

The transition plan is embedded in ALK's strategy and funded through the annual business and financial planning process. It has been approved by ALK's Investment Portfolio and Sustainability committees. The transition plan requires investments, which are aligned with ALK's financial planning. In particular, the electrification of boilers demands CapEx investments, and is reported as a taxonomy-eligible activity.

ALK has not claimed alignment of its economic activities with delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation (see "EU taxonomy" on page 67). However, efforts will be made to align activities where possible. ALK is not excluded from EU Paris-Aligned Benchmarks.

ALK's commitment to reducing its GHG emissions is strengthened by sustainability-related incentives in the remuneration schemes for the Executive Leadership Team. This incentivising of executives results in a more urgent drive for decarbonisation-related processes.

ALK's short-term and long-term incentive schemes are presented in detail in the "Corporate governance" section of Corporate matters on page 30.

ESRS E1

Impacts, risks and opportunities

E1 Climate change	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Emissions from own operations	Actual negative impact		●		●	●	●
Use of refrigerants contributing to climate change	Actual negative impact		●		●	●	●
Value chain emissions	Actual negative impact	●		●	●	●	●
Climate change and respiratory health	Opportunity		●				●

E1-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

ALK has not undertaken a climate-related scenario analysis or a resilience analysis. The materiality assessment described in ESRS 2-IRO1 on pages 41-43 identified the following climate change impacts. No material climate-related physical risks or climate-related transition risks were identified during the materiality assessment.

Impact

Emissions from own operations

ALK impacts the environment through the emission of GHG. These emissions result from ALK's direct operations (Scope 1) and purchased energy (Scope 2). In particular, ALK's energy consumption is partially based on non-renewable sources, including natural gas.

This negative impact is located within ALK's own operations and occurs over the short, medium and long term. ALK has committed to a science-based target to reduce its GHG emissions by 42% by 2030. As part of its GHG emission reduction plan, ALK is taking steps to transition to renewable energy and to improve energy use.

Impact

Use of refrigerants contributing to climate change

ALK uses refrigerants as cooling agents in the storage of raw materials and pharmaceuticals and for cooling production areas. While these refrigerants are not ozone-depleting, they are classified as greenhouse gases (GHGs) and contribute to climate change if released into the atmosphere. Their role in supporting operational processes highlights their importance while also presenting potential environmental risks. This represents an actual negative impact that occurs in ALK's own operations over the short, medium and long term, as a result of its own activities.

Impact

Value chain emissions

ALK's value chain represents 93% of GHG emissions, mostly due to the manufacture and provision of purchased goods and services. These emissions stemming from ALK's direct business relationships contribute to climate change. This negative impact is located within ALK's upstream and downstream value chain in the short, medium and long term. ALK has set a science-based target to ensure that suppliers representing 80% of its scope 3 emissions have science-based targets in place by 2028.

Opportunity

Climate change and respiratory health

Climate change directly threatens respiratory health by extending pollen seasons, increasing airborne allergens, promoting mould growth, and altering the distribution and abundance of allergenic plants. The increased length and severity of pollen seasons expand the potential market size for ALK, as more individuals suffer from prolonged and intensified allergy symptoms.

This long-term potential opportunity for ALK is described further in S4-SBM3 on page 84.

ESRS E1

Impact, risk and opportunity management

E1-2

Policies related to climate change mitigation and adaptation

ALK is in the process of addressing the most significant categories of GHG emissions, including all of its scope 1 categories, as well as purchased goods and services and business travel in scope 3. As an example, this translates into local policy updates on company fleet and business travel.

As a result, ALK has not had the need for establishing a formal global policy related to climate change mitigation and adaptation, energy efficiency or renewable energy deployment.

E1-3

Actions and resources in relation to climate change policies

ALK has developed a roadmap out to 2030 to reduce its carbon emissions. While this plan is not linear, it has been developed through a mapping exercise and, overtime, takes account of the projected business growth of the company. ALK has prioritised investments in reducing the environmental impact of its own operations (Scope 1 and 2).

The achieved GHG emission reductions are described in E1-6 on pages 53-54.

ALK is addressing its climate change impacts and climate-related opportunity through the following decarbonisation levers and actions:

1

Transitioning towards renewable energy

ALK has been purchasing third-party audited Renewable Energy Certificates for electricity since 2019. These certificates cover 100% of ALK's electricity consumption at production sites where direct renewable energy sourcing is not possible.

Operating expenditure (OpEx) is allocated on an ongoing basis to purchase the certificates. In 2024, this amounted to DKK 0.5 million (see Income statement, on page 107 in the consolidated financial statements).

2

Electrifying boilers and the company vehicle fleet

ALK is also reducing CO_2 emissions by converting production boilers from natural gas to electricity. The replacement of a boiler in Hørsholm (Denmark) site was implemented in 2022. In 2024, ALK also initiated the replacement of a gas boiler in France, with daily operations expected to commence by 2026. The last boiler replacement will be initiated by 2028, with full implementation planned for 2030.

In 2024, ALK also continued the transition of the company fleet to electric vehicles, with an initial focus on the countries in Northern Europe where the infrastructure is well developed.

The electrification of boilers requires CapEx investments, which are accounted for in ALK's annual budget processes and have been approved by administrative, management, and supervisory bodies. In 2024, ALK allocated DKK 4 million in CapEx to support the implementation of the decarbonisation project for the boilers in France (see note 3.2 in the consolidated financial statements, on page 123). The ability to implement the action does not depend on specific preconditions.

3

Substituting refrigerant chemicals in coolers

Starting in 2023, ALK has mapped all cooling systems and refrigerants, creating a timeline for substitution based on legal requirements, equipment lifecycle, and cost considerations. Any refrigerant replacement will prioritise options with a lower global warming potential.

To minimise the environmental risks associated with refrigerant use, ALK has initiated a cross departmental programme to better manage cooling systems and refrigerants. ALK is focusing on initiatives to improve monitoring, reporting, preventive maintenance and substitution, while maintaining operational efficiency.

4

Implementing energy efficiency measures

In 2023, ALK initiated energy-saving measures, including installing LED lighting and sensor-controlled lighting systems, to reduce overall energy consumption. While the identification of further potential initiatives continues, the immediate large-scale activities have already been implemented.

ESRS E1

Metrics and targets

E1-4

Targets related to climate change mitigation and adaptation

ALK has set two targets related to climate change mitigation:

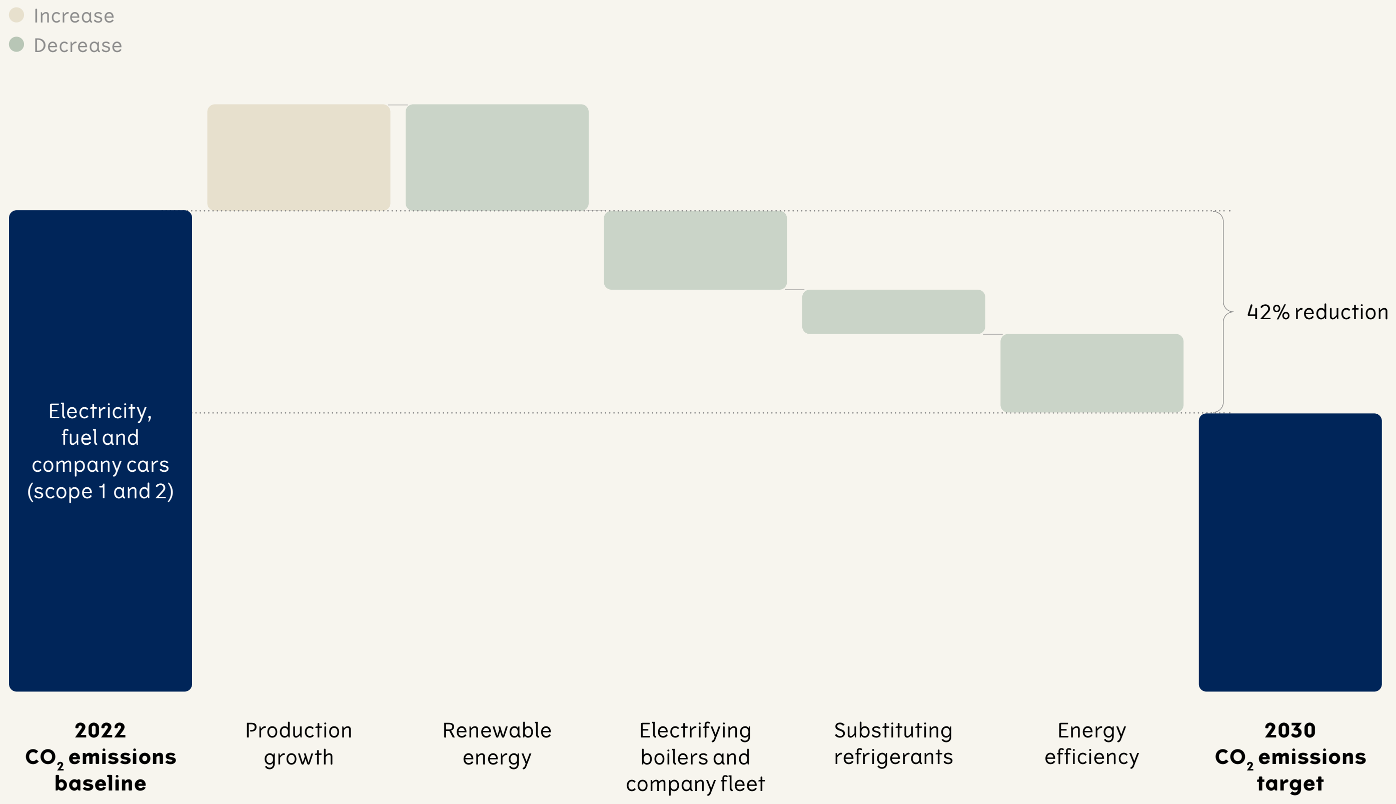
- reduce its absolute CO_2 emissions by 42% between 2022 and 2030 in its own operations (market-based Scope 1 and Scope 2)
- have 80% of its emissions from suppliers with science-based targets by 2028 (Scope 3).

Those targets were approved by the Science Based Targets initiative in January 2024, and are compatible with limiting global warming to 1.5°C.

In 2022, ALK's scope 1 and 2 (market-based) accounted for 5,492 tCO_2e, with scope 1 representing 90%. The boundaries of this target exclude ALK's sales offices, which account for less than 5% of its total emissions. The rest of the assumptions and methodologies align with the GHG emissions reporting disclosed under E1-6 on page 54.

The different decarbonisation levers are presented under E1-3 on page 51.

CO_2 reduction roadmap
Scope 1 and 2



E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

Science-based targets	Unit	2024	2023[1]	2022[1]
Scope 1+2 (production sites)				
Total scope 1+2 (location-based)	Tonnes CO_2eq	11,348	11,266	10,814
Total scope 1+2 (market-based)	Tonnes CO_2eq	5,384	5,709	5,492
Change in scope 1 & 2 from a 2022 baseline	%	-2%	+4%	-
Scope 3				
Scope 3 emissions from suppliers with science-based targets	%	37	33	N/A

[1] The comparative figures for 2022 and 2023 have been updated to reflect the acquisition of ALK's production site in Plainville (USA) as well as collecting vehicles in Post Falls (USA). 2022 and 2023 figures are not covered by the Independent Auditor's limited assurance report.

Emissions from scope 1 and 2 were 2% lower than the science-based target baseline (2022: 5,492 tonnes CO_2eq).

This reflects a slight decrease in direct energy consumption, mainly related to the reduction of natural gas consumption, due to the replacement of a gas boiler to run on electricity at Hørsholm (Denmark) production site.

Refrigerants were reduced due to an increased focus on systematic and preventive maintenance as well as closing of equipment where leaks have been identified.

Emissions from company fleet were reduced compared to 2023. This reflects ALK's transition towards electric vehicles, which will be fully implemented in the coming years.

Scope 2 market-based reflects the purchase of renewable energy certificates for all sites.

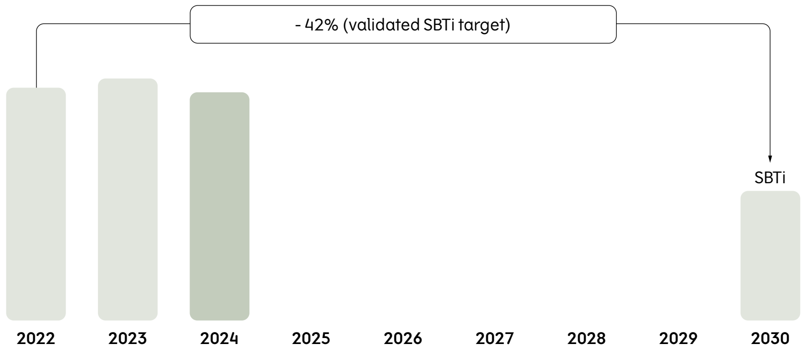
ALK's ambition to reduce GHG emissions by 42% by 2030 remains unchanged.

Over the coming years, investments in boilers which run on electricity rather than natural gas will make a major contribution to the CO_2 reduction.

The share of suppliers with science-based targets increased to 37% (2023: 33) reflecting ALK's continued efforts in engaging with its suppliers to implement CO_2 emission targets compatible with limiting global warming to 1.5°C.

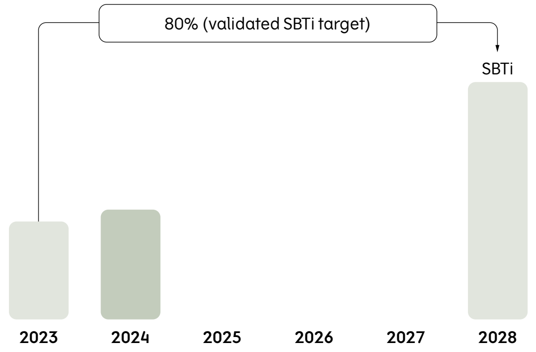
Total scope 1+2 (market-based)[1]

Tonnes CO_2eq



Scope 3 emissions from suppliers with science-based targets[1]

%



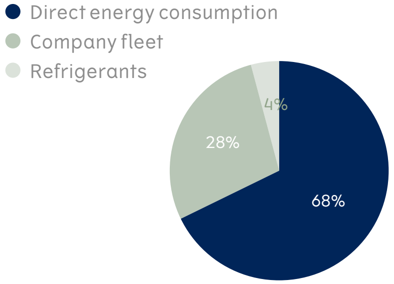
Scopes	Unit	2024	2023[1]	2022[1]
Scope 1				
Direct energy consumption	Tonnes CO_2eq	3,325	3,207	3,368
Company fleet	Tonnes CO_2eq	1,383	1,454	1,355
Refrigerants	Tonnes CO_2eq	217	501	235
Total scope 1	Tonnes CO_2eq	**4,925**	**5,162**	**4,958**
Scope 2				
Location-based				
Production sites	Tonnes CO_2eq	6,423	6,104	5,856
Sales offices	Tonnes CO_2eq	297	N/A	N/A
Total scope 2 - location-based	Tonnes CO_2eq	**6,720**	**6,104**	**5,856**
Market-based				
Production sites	Tonnes CO_2eq	459	547	534
Sales offices	Tonnes CO_2eq	297	N/A	N/A
Total scope 2 - market-based	Tonnes CO_2eq	**756**	**547**	**534**
Scope 3				
Cat. 1. Purchased goods & services	Tonnes CO_2eq	53,825	41,175	49,096
Cat. 2. Capital goods	Tonnes CO_2eq	3,307	3,403	3,974
Cat. 3. Fuel & energy related activities	Tonnes CO_2eq	2,985	2,364	2,483
Cat. 4. Upstream transportation & distribution	Tonnes CO_2eq	5,614	5,471	4,748
Cat. 5. Waste generated in operations	Tonnes CO_2eq	89	773	105
Cat. 6. Business travel	Tonnes CO_2eq	2,626	4,615	3,995
Cat. 7. Employee commuting	Tonnes CO_2eq	5,696	6,153	5,724
Cat. 9. Downstream transportation & distribution	Tonnes CO_2eq	336	74	313
Cat. 12. End of life treatment of sold products	Tonnes CO_2eq	28	39	37
Total scope 3	Tonnes CO_2eq	**74,506**	**64,067**	**70,475**

Scopes	Unit	2024	2023[1]	2022[1]
Total emissions (location-based)	Tonnes CO_2eq	**86,151**	**75,333**	**81,289**
Total emissions (market-based)	Tonnes CO_2eq	**80,187**	**69,776**	**75,967**
GHG intensity (scope 1 and 2 market-based)	Tonnes CO_2eq/ DKKm	**1.0**	**1.2**	**1.2**
GHG intensity (total emissions, location-based)	Tonnes CO_2eq/ DKKm	**15.6**	**15.6**	**18.0**
GHG intensity (total emissions, market-based)	Tonnes CO_2eq/ DKKm	**14.5**	**14.5**	**16.8**
Net revenue	DKKm	5,537	4,824	4,511
Bundled energy attribute claims	%	-	N/A	N/A
Unbundled energy attribute claims	%	88%	N/A	N/A
GHG scope 3 calculated using primary data	%	15%	N/A	N/A

[1] The comparative figures for 2022 and 2023 have been updated to reflect the acquisition of ALK's production site in Plainville (USA) as well as collecting vehicles in Post Falls (USA). 2022 and 2023 figures are not covered by the Independent Auditor's limited assurance report.

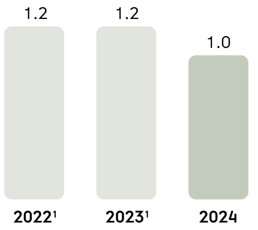
The increase in total scope 3 to 74,506 tonnes (2023: 64,067) is primarily related to the increase of purchased goods and services as a result of the increased turnover. Business travel decreased to 2,626 tonnes (2023:4,615) reflecting the focus on reduced travelling across all functions implemented end of 2023.

Scope 1



GHG intensity (scope 1 and 2 market-based)

Tonnes CO_2eq/DKKm



E1-5

Energy consumption and mix

	Unit	2024	2023[1]
Energy consumption from fossil sources			
Fuel consumption from coal and coal products	MWh	-	-
Fuel consumption from crude oil and petroleum products	MWh	2,420	2,717
Fuel consumption from natural gas	MWh	14,524	14,232
Fuel consumption from other fuel sources	MWh	-	N/A
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	10,148	5,241
	MWh	**27,092**	**22,190**
Energy consumption from nuclear sources			
Energy consumption from nuclear sources	MWh	4,505	4,658
	MWh	**4,505**	**4,658**
Energy consumption from renewable sources			
Fuel consumption for renewable sources	MWh	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	19,810	23,702
	MWh	**19,810**	**23,702**
Total energy consumption	MWh	**51,407**	**50,550**
Share of renewable sources in total energy consumption	%	39%	47%
Energy intensity associated with activities in high climate impact sectors	MWh/DKKm	9.3	10.5

[1] The comparative figures for 2023 have been updated to reflect the acquisition of ALK's production site in Plainville (USA) as well as collecting vehicles in Post Falls (USA). 2023 figures are not covered by the Independent Auditor's limited assurance report.

The share of renewable sources in total energy consumption decreased due to more accurate documentation from energy providers.

Since ALK's activities belong to a high climate impact sector, energy intensity is calculated on the total revenue. The decrease in intensity reflects the more efficient use of energy at the production sites.

E2 Pollution

ESRS E2

Impacts, risks and opportunities

E2 Pollution	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Usage of REACH substances in production	Actual negative impact		●		●	●	●

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Impact

Usage of REACH substances in production

ALK uses chemicals that fall within the scope of the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) Regulation. Substances of Concern (SoCs) are regulated on the basis of their potential environmental and health impacts. Some of these chemicals may also appear on restricted or phased-out lists, such as the Candidate List of Substances of Very High Concern (SVHCs), requiring careful management to ensure compliance with legal requirements. ALK recognises that the continued usage of such chemicals contributes to their commercialisation, which can result in broader environmental consequences if not properly controlled.

The use of REACH substances has a negative actual impact on the environment, which arises in ALK's own operations on the short, medium and long term. The production processes requiring REACH-regulated chemicals reflect the ongoing challenge of balancing operational needs with regulatory compliance and environmental considerations. ALK has not yet formalised policies or targets on Substances of Concern or Substances of Very High Concern. However, the company ensures compliance with local regulations and REACH requirements for chemical use and handling in production.

Pollution of air, water, and soil is considered immaterial to ALK due to the very low levels of pollutants in its operations, with minimal impact on the environment or human health. The impacts and risks are deemed immaterial as they do not meet the threshold, and no risks or opportunities were identified for soil.

ESRS E2

Impact, risk and opportunity management

E2-1

Policies related to pollution

ALK ensures compliance with local regulations and REACH requirements for chemical use and handling in production, and relevant actions and resources are evaluated and allocated at the operational level as appropriate. As a result, ALK has not identified the need for a centralised global policy related to pollution that specifically addresses actions within the mitigation hierarchy related to pollution, such as pollution avoidance, reduction or restoration efforts where there has been pollution of air, water and soil.

The use of REACH-regulated chemicals highlights the shared responsibility among producers and users to minimise their potential impact on the environment and look at possible substitution. ALK acknowledges that the continued use of such chemicals contributes to their commercialisation, which can result in broader environmental consequences if not carefully managed.

E2-2

Actions and resources related to pollution

ALK is committed to maintaining compliance with the REACH regulation and local legislation and to responsibly manage the chemicals it uses. Initiatives are directed at ensuring safe handling, storage, and use of regulated chemicals on all production sites, with ongoing updates to data and processes as required by evolving regulations.

As part of its ongoing initiatives, ALK has worked in 2024 on mapping and establishing an overview of purchased quantities of Substances of Concern (SoCs) and their subset, Substances of Very High Concern (SVHCs), in its own operations (see E2-5 on page 57). This initiative aims to improve visibility and understanding of the volume and use of these chemicals within the organisation, supporting compliance and informed analysis and decision-making. Since ALK does not yet have a global policy, it has not taken specific actions in 2024 to achieve pollution-related policy objectives.

ESRS E2

Metrics and targets

E2-3

Targets related to pollution

ALK has passed all the latest Local Environmental Authorities' requirements and inspections at all of its sites. However, since 2024 is the first year of global consolidated reporting of substances of concern, ALK has not set global targets for preventing and controlling air pollutants, emissions to water, soil pollution, substances of concern and substances of very high concern, beyond what is determined by local regulations.

Compliance with REACH-regulated chemicals standards highlights the challenge of balancing operational needs with environmental and regulatory requirements. As phase-outs and restrictions are implemented, ALK remains flexible to ensure compliance and mitigate risks. The company is evaluating its approach and considering future targets to align with evolving sustainability priorities and regulatory expectations. ALK will focus on reducing substances of very high concern by implementing improvements in the processes at one of ALK's material production sites.

E2-5

Substances of concern and substances of very high concern

Substances of concern and substances of very high concern	Unit	2024
Substances of concern procured	Tonnes	5.0
Substances of very high concern procured	Tonnes	0.9

E3 Water and marine resources

ESRS E3

Impacts, risks and opportunities

E3 Water and marine resources	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Water consumption in production facilities	Actual negative impact		●		●	●	●
Usage of water in operations in water-scarce regions	Potential negative impact	●			●	●	●

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Impact

Water consumption in production facilities

ALK's production facilities rely on the consumption of water, which is an important natural resource in many areas. Water usage can contribute to local water scarcity, potentially impacting availability and increasing water costs for surrounding communities. Reduced water availability may also affect the ability of the soil to support vegetation, impacting local ecosystems and agricultural activities. Prolonged dryness may also increase the potential for wildfires in certain areas.

This represents an actual negative impact on people and the environment, occurring in the short, medium and long term. To mitigate it, ALK monitors water use in its production facilities to ensure compliance with local legal regulation.

Impact

Usage of water in operations in water-scarce regions

ALK's production site in Madrid (Spain) operates in an area of high-water stress. In this water-scarce region, the availability of water resources is increasingly constrained due to climate change and periodic droughts. As a pharmaceutical company ALK is prioritised in terms of water supply; however, the use of water in operations in such regions has a potential negative impact on the local population, who might face constraints in the use of water. This potential impact occurs over the short, medium and long term. ALK's water consumption is monitored to ensure compliance with applicable regulations and minimise negative impacts on the local water basin.

ESRS E3

Impact, risk and opportunity management

E3-1

Policies related to water and marine resources

ALK monitors water use in its production facilities to ensure compliance with local wastewater discharge regulations and to minimise the impact on local water resources.

ALK does not have a formal global policy on water management, treatment, or pollution beyond local regulations. There are currently no policies in place to guide product and service design in addressing water-related challenges, nor are there commitments to decrease material water consumption in regions facing water risks. Addressing the water-related challenges could involve adopting advanced technologies, recycling wastewater, or optimising processes to minimise water use, all in line with the local legal authorities and the production of pharma products.

As sustainable oceans and seas is not deemed material, no related policy has been adopted.

ALK has not adopted a policy covering its Madrid (Spain) production site, located in an area of high-water stress. In 2024, the focus has been on mapping ALK's impacts, risks and opportunities linked to water and marine resources. In the coming years, the company will consider the potential adoption of such a policy.

E3-2

Actions and resources related to water and marine resources

ALK aligns its practices with regulatory requirements and environmental considerations, seeking opportunities for efficient water use and sustainable management. Water management is an integral part of ALK's environmental and health and safety management tasks.

The demand for water as a part of ALK's production processes underscores the need to balance operational requirements with environmental sustainability.

To ensure operational efficiency and minimise consumption, ALK has installed water meters to monitor and control water usage. This is particularly important in areas with existing water-related challenges.

In 2024, ALK focused on mapping consumption from the installed meters to evaluate opportunities for efficient water use and sustainable management. These efforts aim to reduce the environmental impact of water consumption while supporting operational needs. As a result, no actions were taken in 2024 in relation to general water use, and specifically to ALK's production site in Madrid (Spain). In addition, at the time of reporting, no action plan for 2025 has been developed yet.

ESRS E3

Metrics and targets

E3-3

Targets related to water and marine resources

ALK has not set global targets for reducing water consumption or managing marine resources and water risk areas beyond local legal requirements. In 2024, ALK installed meters at all production sites to monitor water usage, both in production areas and for irrigation. This enables ALK to assess efficiency and consumption across different processes, ensuring effective future water use.

E3-4

Water consumption

Water	Unit	2024	2023[1]
Water consumption			
Irrigation	m^3	312,773	N/A
Domestic water use	m^3	92,533	101,413
	m^3	**405,306**	**N/A[2]**
Water storage			
Water stored	m^3	-	-
Changes in storage	m^3	-	-
Water consumption in areas at material water risk	m^3	11,495	10,646
Water reused and recycled	m^3	18,624	N/A
Water intensity	m^3/DKKm	73.2	N/A

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report.
[2] In 2023, ALK reported a total water consumption of 128,087 m^3, excluding irrigation from leased land, for which data was not available and could not be retrieved.

E3-4

Water consumption

In 2024, ALK's overall water consumption was 405,306 m^3. This year, ALK included the irrigation for all leased land for ALK source materials, and installed meters to measure exact consumption. The domestic water use was 92,533 m^3 (2023: 101,413).

The consumption of water at Madrid (Spain) was 11,495 m^3 (2023: 10,646). Madrid (Spain) production site is located in the Tagus river basin, which has a low water quality and quantity.

ALK reused 18,624 m^3 of water for irrigation purposes on the land where crops are cultivated to produce allergenic source materials. Water used in ALK's production processes must meet strict regulatory standards for quality and sterility, particularly in pharmaceutical manufacturing. These requirements make water reuse or recycling complex and may require advanced treatment systems to ensure compliance, which are not currently in place. As some allergenic source materials come from leased land, implementing long-term infrastructure, such as water recycling systems, may not always be feasible or aligned with the terms of the leasing agreements.

ALK does not currently have water storage facilities. The production processes at ALK's production sites generally rely on a direct and consistent supply of water from municipal or other external sources, reducing the immediate need for on-site water storage. Since water is not extensively reused or recycled, the requirement for storage infrastructure is limited.

The focus on investments in initiatives with immediate and significant environmental impacts has over the past year taken precedence over the development of water storage systems. In regions where water availability is generally stable or sourced directly from external providers, water storage may not be deemed essential. For example, in areas where water supply networks are reliable, on-site storage systems may not add significantly to operational efficiency.

E4 Biodiversity and ecosystems

Strategy

E4-1

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The majority of ALK's allergenic source materials covering pollens, mites and molds are cultivated and collected. Source material from insect venom is collected by electro-stimulation (bees) and by a collection of wasp and hornet nets. The allergen source materials are purified before further processing to active pharmaceutical ingredients (APIs) used in ALK's medicinal products. Systemic sustainable agricultural practices are implemented to minimise ALK's impact on nature, including:

- Diversifying species by planting a variety of crop types and thereby providing a diverse range of pollination times for pollinator species like bees.
- Minimising pesticide and fertiliser inputs by leveraging Integrated Pest Management Principles.
- Protective native flora and fauna by establishing large buffer zones.
- Minimum soil disturbance by implementing lime application.

As part of the materiality assessment process, a review of ALK's production sites has been done, using the WWF Risk Filter to identify and evaluate potential and actual biodiversity and ecosystem impacts, risks and opportunities (for more details, see E4-IRO1 on page 42). Post Falls (USA) met the materiality threshold and was thus deemed material in relation to biodiversity impacts.

ALK has not yet conducted a comprehensive resilience analysis of its strategy and business model in relation to biodiversity and ecosystems. As a result, a transition plan related to biodiversity and ecosystems has not been created yet. The analysis of ALK's material sites in terms of dependencies and ecological status will be performed over the coming years.

ESRS E4

Impacts, risks and opportunities

E4 Biodiversity and ecosystems	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Hornets and wasps eliminated for venom harvesting	Actual negative impact		●		●	●	●

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment process outlined in ESRS 2 IRO-1, on pages 41-43, did not identify any material negative impacts with regard to land degradation, desertification or soil sealing. However, the following material impact on the state of species was identified:

Impact

Hornets and wasps eliminated for venom harvesting

ALK collaborates with local communities near Post Falls (USA) production site to remove wasp and hornet nests and collect venom for the API in its medicinal products. The wasps and hornets are eliminated as part of the harvesting process. Removing wasp and hornet nets is part of pest control programs in areas in densely populated areas.

This site is not located close to a biodiversity-sensitive area and thereby not negatively affecting such areas. Moreover, wasps and hornets are not threatened species.

The venom harvesting process represents an actual negative impact on the local population size of wasps and hornets. This impact is directly due to ALK's activities and occurs in ALK's own operation in the short, medium and long term.

The list and description of material sites is further developed in E4-1 on page 61.

ESRS E4

Impact, risk and opportunity management

E4-2

Policies related to biodiversity and ecosystems

ALK adheres to national legislation and regulatory demands, as described in procedures part of ALK's Quality Management System covering the part of the supply chain ALK controls. ALK has performed several initiatives over the years to support biodiversity at its material site in Post Falls (USA). As ALK has not yet performed a biodiversity-related resilience analysis, ALK does not currently have a formal policy relating to biodiversity and ecosystems.

Specifically, the company has not adopted a policy addressing its material impacts or dependencies, or their social consequences. There are also no policies on responsible production, sourcing, or consumption from ecosystems, nor on the traceability of products, components, and raw materials. ALK does not have a biodiversity and ecosystem protection policy covering operational sites owned, leased, or managed in or near a biodiversity sensitive area. ALK has no policy on sustainable land and agriculture, sustainable oceans and seas or deforestation.

E4-3

Actions and resources related to biodiversity and ecosystems

In 2024, the focus has been on mapping ALK's impacts, risks and opportunities relating to biodiversity and ecosystems. No new actions have been taken in 2024 on this matter beyond what is already implemented as part of daily management. In particular, no biodiversity offsets have been used, and local and indigenous knowledge and nature-based solutions have not been considered.

ESRS E4

Metrics and targets

E4-4

Targets related to biodiversity and ecosystems

ALK is to conduct a deeper analysis of its biodiversity impacts in the coming years with inspiration from the Task Force on Nature-related Disclosure framework. As this analysis is still to be performed, ALK has not yet set targets related to biodiversity and ecosystems. In particular, no ecological thresholds and allocations of impacts were applied, and no biodiversity offsets have been used. The Kunming-Montreal Global Biodiversity Framework, the EU Biodiversity Strategy for 2030 and other biodiversity and ecosystem-related national policies and legislation have not been used.

E5 Resource use and circular economy

ESRS E5

Impacts, risks and opportunities

E5 Resource use and circular economy	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Use of non-recycled paper, single-use aluminium and single-use plastic	Actual negative impact		●		●	●	●
Pharmaceutical standards on products leaving minimal leeway for circularity in product design	Actual negative impact		●		●	●	●
Operational waste partly disposed in landfills	Actual negative impact		●		●	●	
End of life of products	Actual negative impact			●	●	●	●

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Impact

Use of non-recycled paper, single-use aluminium and single-use plastic

ALK's operations require the use of single-use plastics in production, as well as single-use aluminium bottles for transporting active pharmaceutical ingredients. ALK also uses non-recycled paper and plastics, which are vital for maintaining sterility and efficiency in operations.

Those materials have negative environmental impacts during manufacturing and/or end of life. In particular, manufacturing of single-use plastics consumes fossil fuels and emits greenhouse gases, furthering climate change, while plastic waste, often non-biodegradable, poses long-term environmental risks. Once disposed of, plastics accumulate in landfills and, in some cases, enter natural ecosystems, where they can harm wildlife and pollute water bodies. However, if disposed correctly, plastic is also to be recognised as an important energy source. Aluminium is an energy-intensive resource. The environmental effects of paper production include deforestation, use of large amounts of energy and water, and air pollution and waste problems.

This actual negative impact occurs in ALK's own operations on the short, medium and long term. ALK recognises its short-term operational reliance on these materials and is working to evaluate opportunities for more sustainable practices, such as improved recycling efforts.

Impact

Pharmaceutical standards on products leaving minimal leeway for circularity in product design

The pharmaceutical industry is highly regulated, setting high standards on the quality and sterility of products. The high standards, which ALK must comply with, result in plastic waste and limited options for using circular products. This leads to environmental impacts from the upstream production of the materials and increased waste from both production and end-users.

This results in a negative actual impact on the environment, which spans the short, medium and long term in its own operations. ALK is exploring opportunities to transition to more sustainable packaging, e.g. by introducing recycled paper and cardboard.

Impact

Operational waste partly disposed in landfills

A portion of ALK's operational waste is disposed of in landfills, leading to potential environmental effects such as odour, noise, smoke, and water contamination. This impact varies with local waste management infrastructure, with greater reliance on landfills in the USA compared to Europe. Limited recycling infrastructure in some areas hampers the recovery of reusable materials, and recycling rates depend heavily on local state regulations.

This actual negative impact occurs within ALK's own operations over the short and medium term. Efforts are underway to enhance waste tracking and explore recycling and reuse opportunities to reduce landfill dependency.

Impact

End of life of products
The management of ALK products at the end of their lifecycle is shaped by national and regional differences in waste handling practices. Limited recycling infrastructure for medicinal products means that, in some regions, some products are ultimately disposed of in landfill systems. This hinders the recovery of potentially reusable materials, including recyclable packaging, and creates uncertainty in disposal outcomes.

This creates an actual negative impact in ALK's downstream value chain as a result of ALK's own activities. It occurs in the short, medium and long term.

Although some ALK products include recyclable packaging or components, the recycling rates for these materials depend heavily on local country and state regulations. ALK is continuing to evaluate opportunities to better understand and improve the handling of waste streams in the product lifecycle.

ESRS E5

Impact, risk and opportunity management

E5-1

Policies related to resource use and circular economy

Waste is managed at site level, meeting local legal requirements. As a result, ALK has not previously had the need for establishing a formal global policy on resource use and circular economy. In 2025, ALK plans to introduce a global waste policy to address landfill waste.

Concerning circular economy, ALK has not adopted global policies specifically focused on transitioning away from the extraction of virgin resources. Moreover, ALK does not have global policies on sustainable sourcing and use of renewable resources, or on addressing impacts, risks and opportunities in ALK's upstream and downstream operations.

E5-2

Actions and resources related to resource use and circular economy

Because ALK has not developed policies yet, no actions were undertaken in 2024 to achieve resource use and circular economy-related policy objectives. However, relevant actions and resources are evaluated and allocated at the operational level as appropriate to meet local regulatory requirements.

As part of its ongoing initiatives, ALK's focus in 2024 has been on improving its mapping of waste types and fractions in alignment with the ESRS. Moreover, ALK has launched initiatives which focus on developing plans to reduce and eliminate the amount of waste that is not part of a reuse or recycling programme.

ESRS E5

Metrics and targets

E5-3

Targets related to resource use and circular economy

The focus in 2024 has been on aligning the waste reporting with the ESRS to establish a baseline. As a result, ALK has not currently set targets related to any layer of the waste hierarchy for resource inflows and outflows, in particular on waste, products and materials, whether mandatory or voluntary. However, ALK is evaluating its approach and considering implementing relevant targets in the future to align with evolving sustainability priorities and regulatory expectations.

E5-4

Resource inflows

ALK does not currently gather global data on its material resource inflows but plans to map this out during 2025 for future reporting.

E5-5

Resource outflows

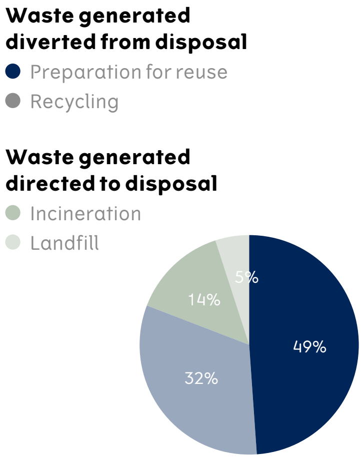
All of ALK's waste is directed towards recycling, reuse, incineration with energy recovery and landfill. ALK does not have any waste managed as ‘other disposal operations’.

Total waste generated amounted to 2,882 tonnes (2023: 1,939). The waste generated increased by 49% due to improved waste reporting and the fact that organic materials are now included in the waste reporting. 86% (2,478 tonnes) of the total waste is non-hazardous.

81% of the waste was diverted from disposal (reused or recycled). Within this diverted waste, 40% (929 tonnes) was directed towards recycling initiatives and 60% (1,408 tonnes) was prepared for reuse, aligning with the Waste Framework Directive (Directive 2008/98/EC).

The waste directed to disposal was carefully managed based on waste treatment types. Out of the 545 tonnes, 74% (403 tonnes) was incinerated and 26% (142 tonnes) was sent to landfill.

ALK does not currently gather global data on the rate of recyclable content but plans to map this out during 2025 for future reporting.



At ALK, the waste composition can be separated into two primary waste streams:

1

Pharmaceutical waste streams, which include

- **chemical waste and medical waste** (residues from APIs, solvents, and reagents used in production processes)
- **product-related material** (plastics, metals, glass, and transportation boxes).

2

Agricultural waste streams, which come from ALK's source materials used in the allergen production, and include

- **mite media** (residual materials from the cultivation and extraction of allergenic source materials)
- **organic materials** (plant-based or biological substances such as hay and wood trimmings).

E5-5

Resource outflows

Waste generated diverted from disposal	Unit	2024	2023[1]
Preparation for reuse			
Hazardous	Tonnes	24	N/A
Non-hazardous	Tonnes	1,384	N/A
	Tonnes	**1,408**	**N/A**
Recycling			
Hazardous	Tonnes	221	N/A
Non-hazardous	Tonnes	708	N/A
	Tonnes	**929**	**N/A**
Other recovery operations			
Hazardous	Tonnes	-	N/A
Non-hazardous	Tonnes	-	N/A
	Tonnes	**-**	**N/A**
Total hazardous	Tonnes	**245**	**N/A**
Total non-hazardous	Tonnes	**2,092**	**N/A**
Total waste generated diverted from disposal	Tonnes	**2,337**	**1,451**

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report, and are not comparable due to change in methods and data quality.

Waste generated directed to disposal	Unit	2024	2023[1]
Incineration			
Hazardous	Tonnes	158	N/A
Non-hazardous	Tonnes	245	N/A
	Tonnes	**403**	**270**
Landfill			
Hazardous	Tonnes	1	N/A
Non-hazardous	Tonnes	141	N/A
	Tonnes	**142**	**218**
Other disposal operations			
Hazardous	Tonnes	-	N/A
Non-hazardous	Tonnes	-	N/A
	Tonnes	**-**	**N/A**
Total hazardous	Tonnes	**159**	**N/A**
Total non-hazardous	Tonnes	**386**	**N/A**
Total waste generated directed to disposal	Tonnes	**545**	**N/A**

Total waste	Unit	2024	2023[1]
Waste generated			
Hazardous and radioactive	Tonnes	404	N/A
Non-hazardous	Tonnes	2,478	N/A
	Tonnes	**2,882**	**1,939**
Non-recycled waste	Tonnes	544	N/A
Non-recycled waste	%	19%	N/A
Recycled waste	Tonnes	2,337	N/A
Recycled waste	%	81%	N/A

EU Taxonomy

Under Article 8(1) of the Taxonomy regulation (EU) 2020/852 and further detailed in Annex I of the Disclosure Delegated Act (EU) 2021/2178, ALK is obligated to report on the sustainability profile of its Turnover, Capital Expenditure (CapEx), and Operating Expenditure (OpEx). This process involves evaluating ALK's economic activities against those enumerated in the delegated legislation of the EU Taxonomy (i.e. eligibility assessment), identifying ALK's eligible Turnover, CapEx, and OpEx, and finally assessing compliance with the Substantial Contribution Criteria (i.e. alignment assessment).The findings from both the eligibility and alignment assessments are encapsulated in key performance indicators (KPIs) for Turnover, OpEx, and CapEx.

For a full overview of our taxonomy-eligible activites, see the tables on pages 68-70.

Eligibility and alignment

In 2024, ALK has identified 98.0% turnover (2023: 97.8%), 18.7% CapEx (2023: 70.5%), and 57.9% OpEx (2023: 47.4%) eligibility. Key changes from 2023 results from error identification in last year reporting for CapEx and OpEx KPIs.

ALK has not claimed EU taxonomy alignment for any eligible activities as it cannot be documented. A climate risk assessment is planned for 2025.

Turnover

ALK has identified the following eligible turnover activities:

- PPC 1.2, manufacture of medicinal products: A large portion of ALK's turnover stems from the production of allergy immunotherapy treatments as well as adrenaline pens (97.9% of turnover).
- PPC 1.1, manufacture of active pharmaceutical ingredients (API) or active substances: A minor portion of ALK’s turnover is related to manufacture of allergen extracts for use in the diagnosis of specific allergies, for instance in skin prick tests (0.1% of turnover).

CapEx

ALK has identified the following eligible CapEx activities:

- PPC 1.2, manufacture of medicinal products: Capital expenditures related to the manufacturing of allergy immunotherapy treatments and adrenaline pens (12.8% of CapEx).
- CCM 7.5, Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: In 2024, ALK continued to install metering equipment in Denmark to monitor water and electricity consumption (0.1% of CapEx).
- CCM 7.6, Installation, maintenance and repair of renewable energy technologies: Related to the installation of an electrified boiler in France replacing a boiler running on natural gas (0.3% of CapEx).
- CCM 7.7, Acquisition and ownership of buildings: Projects related to investments and maintenance of ALK’s buildings (5.5% of CapEx).

OpEx

ALK has identified the following eligible OpEx activities:

- PPC 1.2, manufacture of medicinal products: OpEx relate to the manufacturing of allergy immunotherapy treatments and adrenaline pens (52.7% of OpEx).
- CCM 6.5, transport by motorbikes, passenger cars and light commercial vehicles: Leased vehicles (5.2% of OpEx).

Annex XII of the Consolidated Complementary Delegated Act

All amounts in the tables below are presented in mEUR

Template 1 Nuclear and fossil gas related activities

Row		Turnover CapEX OpEx
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		DKKm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%		
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%	E	
Of which Transitional		0	0.0%	0.0%						N	N	N	N	N	N	N	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacture of active pharmaceutical ingredients (API) or active substance	PPC 1.1	7	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.4%		
Manufacturing of Medicinal products	PPC 1.2	5,418	97.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								97.4%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,425**	**98.0%**	**0.0%**	**0.0%**	**0.0%**	**98.0%**	**0.0%**	**0.0%**								**97.8%**		
A. Turnover of Taxonomy eligible activities (A1 + A2)		**5,425**	**98.0%**	**0.0%**	**0.0%**	**0.0%**	**98.0%**	**0.0%**	**0.0%**								**97.8%**		

B. Taxonomy-non-eligible activities

Turnover of Taxonomy-non-eligible activities	**112**	**2.0%**
Total	**5,537**	**100.0%**

Taxonomy CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	**CapEx (3)**	**Proportion of CapEx, year N (4)**	**Climate Change Mitiga-tion (5)**	**Climate Change Adapta-tion (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiver-sity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adapta-tion (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Bio-diversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
		DKKm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%		
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%	E	
Of which Transitional		0	0.0%	0.0%						N	N	N	N	N	N	N	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacturing of Medicinal products	PPC 1.2	167	12.8%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								69.0%		
Installation, maintenance and repair of energy efficiency equipment (CapEx C)	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	4	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	71	5.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**243**	**18.7%**	**5.9%**	**0.0%**	**0.0%**	**12.8%**	**0.0%**	**0.0%**								**70.5%**		
A. CapEx of Taxonomy eligible activities (A1 + A2)		**243**	**18.7%**	**5.9%**	**0.0%**	**0.0%**	**12.8%**	**0.0%**	**0.0%**								**70.5%**		

B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities	**1,060**	**81.3%**
Total	**1,303**	**100.0%**

Taxonomy OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code (2)**	**OpEx (3)**	**Proportion of OpEx, year N (4)**	**Climate Change Mitiga-tion (5)**	**Climate Change Adapta-tion (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Bio-diversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adapta-tion (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiver-sity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)**	**Category enabling activity (19)**	**Category transi-tional activity (20)**
		DKKm	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%		
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	0.0%	E	
Of which Transitional		0	0.0%	0.0%						N	N	N	N	N	N	N	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacturing of Medicinal products	PPC 1.2	172	52.7%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								46.9%		
Transport by motorbikes, passenger cars and light commercial vehicles (OpEx C)	CCM 6.5	17	5.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**189**	**57.9%**	**5.2%**	**0.0%**	**0.0%**	**52.7%**	**0.0%**	**0.0%**								**47.4%**		
A. OpEx of Taxonomy eligible activities (A1 + A2)		**189**	**57.9%**	**5.2%**	**0.0%**	**0.0%**	**52.7%**	**0.0%**	**0.0%**								**47.4%**		

B. Taxonomy-non-eligible activities

OpEx of Taxonomy-non-eligible activities	**138**	**42.1%**
Total	**327**	**100.0%**

Accounting policies – Environmental information

The numeric datapoints reported are verified through internal controls, analysis, benchmarks, and regular business meetings. External auditors provide limited assurance on 2024 metrics. The metrics are not validated by another external body, with the exception of the science-based target metrics which are approved by the Science Based Targets initiative (SBTi). N/A is used when data was not available at the time of the reporting and could not be retrieved.

Scope
Environmental data covers ALK's production sites in the USA (Post Falls and related farms, Port Washington, Oklahoma City, Luther and Plainville), Denmark (Hørsholm), Spain (Madrid), and France (Vandeuil and Varennes). Sales offices located across the globe are excluded from reporting on energy, pollution, water, substance of concerns and waste data due to the low materiality of their environmental footprint.

From 2024 onwards, in accordance with ESRS requirements, data from sales offices are included in greenhouse gas (GHG) emission reporting (E1-6 on page 54). However, the reduction target for scope 1 and 2 remains focused primarily on production sites, as validated by SBTi.

Climate Change

E1-5
Energy consumption and mix
Energy consumption for operations is measured as consumption of power, heat and fuel. "Fuel consumption from crude oil and petroleum products" consists of diesel, gas oil and propane. Energy consumption is based on meter readings and/or invoices at individual production sites. Numbers are reported in KWh and converted to MWh.

Some invoice service periods do not align with calendar months; however, they are one month long, determining reporting periods. While the majority of the data is derived from actual data, some estimations are applied to a minor portion of the fuel consumption data:

- **Fuel consumption from diesel backup generators:** Diesel consumption under "fuel consumption from crude oil and petroleum products" is primarily based on estimates. These generators contribute only a minor portion of the overall fuel consumption from crude oil and petroleum products.
- **Fuel consumption estimation for collecting vehicles:** For some collecting vehicles at USA production sites, where odometers are aged or damaged and mileage data cannot be documented, fuel consumption is estimated.

Electricity production is sourced 100% from renewable power, primarily through Renewable Electricity Certificates (REC). The share of renewable power used at production sites is reported according to the market-based method of the GHG Protocol scope 2 Guideline.

The conversion factors for measuring units are sourced from well-established and authoritative references. The use of conversion factors for measuring units are consistent across multiple sites and contexts, ensuring reliability and uniformity in reporting and calculations.

E1-6
Gross Scopes 1, 2, 3 and Total GHG emissions
GHG emissions are prepared in accordance with the GHG Protocol, using the operational control approach.

GHG emissions are reported in metric tonnes of carbon dioxide equivalent according to global warming potential values published by the Intergovernmental Panel on Climate Change (IPCC) based on a 100-year time horizon. All greenhouse gases are included.

When available and recent, source and supplier-specific emission factors or local grid emission factors are used. This methodology ensures accurate emission factors by reflecting local energy mixes and regional characteristics, leading to reliable and relevant emission calculations. When such data are unavailable or outdated, general emission factors are utilized. The specific databases used in these instances are disclosed below.

Scope 1 emissions
Reported scope 1 emissions comprise direct energy consumption (including emissions from collecting vehicles), company fleet and refrigerants.

Direct energy consumption
GHG emission from direct energy consumption is calculated using the fuel consumption reported in E1-5 on page 55. This includes diesel, gas oil, natural gas and propane.

When local emission factors are unavailable, general CO_2 emission factors from UK Government GHG Conversions Factors and Environmental Protection Agency (EPA) GHG Emissions Factors are used. These authoritative sources provide comprehensive data covering a wide range of activities and energy sources, ensuring that the Global Environment, Health and Safety (EHS) function has access to extensive data suitable for all ESG calculations.

Emissions from collecting vehicles are reported under direct energy consumption. Collecting vehicles are leased or owned company vehicles used for collecting source materials. Emissions are based on mileage and emission factors for diesel and gas oil are updated according to EPA annual emissions factors.

Company fleet
Company fleet emissions are based on either actual mileage or contracted annual mileage. Average passenger vehicle emission factors are taken from UK Department for Environment, Food & Rural Affairs (DEFRA). Data for December is estimated based on average monthly consumption in the reporting year.

Refrigerants
Emissions from refrigerants listed in the GHG Protocol are included in scope 1. Associated CO_2e emissions, resulting from the leakage of refrigerants from cooling systems, are calculated based on refrigerant quantities and their respective global warming potential. Emission factors used for reporting are based on annual data from the UK Government Conversion Factors for GHG reporting.

Scope 2 emissions
Scope 2 emissions comprise CO_2e emissions from purchased electricity and heat (district heating), as disclosed in E1-5 on page 55.

Scope 2 location-based emissions are calculated based on average energy generation emission factors for defined locations, while scope 2 market-based emissions are calculated based on emissions calculated from specific energy purchase contracts and therefore consider renewable energy purchase certificates.

When local emission factors are unavailable, general CO_2 emission factors from UK Government GHG Conversions Factors and EPA GHG Emissions Factors are used. These authoritative sources provide comprehensive data covering a wide range of activities and energy sources, ensuring that Global EHS has access to extensive data suitable for all ESG calculations.

ALK does not have bundled certificates. All electricity consumption is covered by 100% unbundled renewable energy certificates, while none of its district heating consumption is covered by unbundled certificates.

Sales offices
GHG emissions from sales offices are estimated based on office area (square meters). Emission factors are specific to each country, and the energy use factor is a worldwide average for offices.

Scope 3 emissions
All scope 3 emissions are calculated based on data covering January-December 2024, except category 3, 4 and 12. The months of November and December are estimated based on average consumption in the reporting year.

Scope 3 categories 8, 10, 11, 13, 14, and 15 from the GHG Protocol are excluded as they are not relevant to the company's operations.

Purchased goods and services (Category 1) (significant estimate): Calculated using spend-based emission factors from the Comprehensive Environmental Data Archive (CEDA). The use of estimates for this data-point is considered significant.

Capital goods (Category 2): Calculated using spend-based emission factors from CEDA for upstream emissions of industrial machinery owned and operated by ALK.

Fuel and energy related activities (Category 3): Calculated for upstream transmission & distribution losses of fuels, electricity and district heating consumed by ALK which are not included in scope 1 and scope 2, by using emission factors from DEFRA.

Upstream transportation and distribution (Category 4): Calculated using a mix of spend-based emission factors from CEDA and primary emissions from certain distribution providers. Well-to-tank emission factors are provided by DEFRA.

Waste generated in operations (Category 5): Calculated using emission factors from DEFRA dependent on material type, treatment type, material location and material weight.

Business travel (Category 6): Calculated using well-to-wheel flight emissions from DEFRA with primary activity data from service providers.

Employee commuting (Category 7): Estimated using Quantis emission factors based on the average number of full-time equivalent employees in the reporting year, with well-to-tank emission factors from DEFRA.

Downstream transportation and distribution (Category 9): Calculated using spend-based emission factors from CEDA on trunk transportation.

End-of-life treatment of sold products (Category 12): Estimated for materials used in products using DEFRA emission factors for material type, country of distribution, assumed treatment type and weight.

E1-3
Actions and resources in relation to climate change policies
Scope 1+2 reduction target
GHG emission reduction targets follow SBTi guidelines, encompassing all production sites. Emissions from sales offices are excluded, as they account for less than 5% of scope 1 and 2 GHG emissions. Future developments, such as changes in sales volumes, have been considered when setting the targets. The achieved reduction is calculated against a 2022 baseline for scope 1 and 2 emissions from production sites, ensuring consistency in the scope over the years.

Scope 3 emissions from suppliers with science-based targets
This metric quantifies scope 3 emissions from suppliers with SBTi targets, including those with commitments. To determine this, suppliers responsible for more than 80% of GHG emissions (covering purchased goods and services, capital goods, upstream transportation and distribution, business travel and downstream transportation and distribution) are identified based on the highest spend and emissions data for 2024.

These suppliers are verified through the SBTi dashboard to confirm which have approved targets. The Supplier Tracker List is used to document suppliers with approved targets.

After verification, the emissions from these suppliers are aggregated and compared to the total emissions in these categories. This methodology ensures accurate and transparent reporting aligned with standard ESG accounting principles.

Pollution

ALK follows the EU's Corporate Sustainability Reporting Directive (CSRD) and its definition of "Substances of Concern" (SoCs) and subset category "Substances of Very High Concern" (SVHCs). All production sites and Research and Development report on purchased quantities of SoCs and SVHCs. All SoCs and SVHCs arise from purchased quantities.

At production sites, which include Product Supply and Research and Development, comprehensive lists of SoC chemicals are created by using the internal chemical management system. SoC chemicals are labelled with one or more Hazard-statements (H-statements), according to the Classification, Labelling and Packaging of chemicals (CLP Regulation) in EU. For production sites in the USA, where H-statements are not available, GHS hazard statements (defined by OSHA) are translated into H-statements to determine which chemicals are SoCs or SVHCs.

Purchased quantities are based on invoices or delivery notes from vendors, reported in local unit of measures and converted to metric tons for disclosure.

Water and marine resources

(incl. significant estimate for irrigation)
At production sites, water is categorised into water for domestic use (drinking water, sanitary water, and water for production) and water for irrigation, which is used for cultivating source materials. For irrigation, the use of estimates is considered significant.

Water consumption is reported in m^3 based on meter readings and/or invoices at individual production sites. When meter readings or invoices are unavailable, estimation-based water consumption is used to calculate water consumption:

- Water irrigation for leased land at Post Falls (USA) production site is estimated based on land area. The water consumption intensity factor (water consumption per acre) is calculated by the landowner using data from their records and their knowledge of the land, crops, and soil. For one of the leased land, water irrigation consumption is calculated using data from a specific area at Post Falls (USA) production site and then applied to that leased land for reporting purposes.
- Water usage at leased facilities in Plainville and Port Washington (USA) production sites is estimated based on square footage occupied by ALK, as stated in the leasing contract, relative to the total square footage of the building. Using these numbers, an estimation for water consumption is calculated.

Currently, there is only one leased land in the USA where water reuse occurs, overseen of the DEQ (Department of Environmental Quality). This area is part of a water reclamation program. The landowner provides water consumption values for ALK crops once a year based on meter reading.

Production sites located in areas at water risk are identified using the "Water Scarcity" dimension of the WWF Water Risk Filter. Madrid (Spain) production site is the only site classified as being in a water risk area. Additionally, areas of high-water stress are defined as areas were the percentage of total water withdrawn is higher than 40%, as determined by the "Water stress" dimension of Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI). Madrid (Spain) production site is also the sole site identified in a high-water stress area.

Resource use and circular economy

Waste is generally reported and classified at site level based on invoices received from waste vendor recipients. Waste for production sites is converted from local unit into metric tons in total. Some estimates are used to calculate waste:

- General solid waste at Luther and Plainville (USA) production sites is estimated based on the pickup cycles reported by the waste vendor for each quarter.
- For the leased location at 2 Channel at Port Washington (USA) production site, general solid waste is not managed internally. Estimation is therefore based

on the average number of garbage bags collected per day.

- For some USA production sites and Madrid (Spain) production site, certain types of waste are estimated based on the number of pickups reported by the waste vendor. These estimates are either supported by actual waste weight measurements collected over a defined period and applied as fixed standards for the waste type, or, when actual weights are unavailable, derived using conversion factors published by governmental authorities.

The actual weights of containers or dumpsters are measured at local production sites over a defined period.

By default, waste is reported in accordance with the waste hierarchy of EU waste polices and legislation, which is described in the EU waste framework directive (Directive 2008/98/EC).

For production sites in Europe, when there is a difference between EU and national legislation, ALK follows the national legislation. Waste types are categorised by the respective waste vendor according to the national legislation.

For production sites in the USA, estimation-based waste is calculated using conversion factors published by the US EPA.

Intensity calculations

Net revenue amounts are derived from ALK group's total revenue of the consolidated financial statements (note 2.1 on page 114).

Intensity calculations are reported as unit / annual revenue in million DKK. GHG intensity is calculated using total emissions (scope 1, 2 and 3) on location-based and market-based methods.

All revenue falls under NACE Section C: Manufacturing, Division 21: manufacturing of basic pharmaceutical products and pharmaceutical preparations according to Commission Delegated Regulation (EU) 2022/1288. Manufacturing is a high climate impact sector.

EU Taxonomy

The turnover, OpEx and CapEx numerators are determined from ALK's assessment of the relevant economic activities within all six environmental objectives.

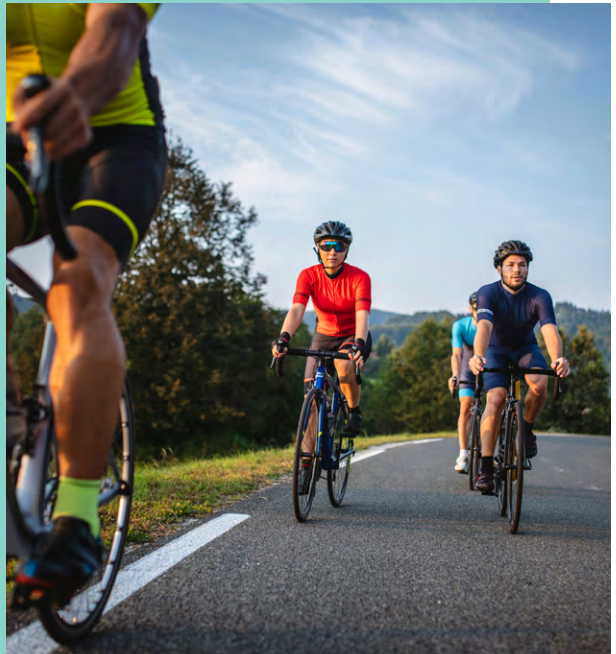
The turnover denominator is derived from ALK group's total revenue of the consolidated financial statements (see note 2.1 on page 114). The Turnover KPI is defined as Taxonomy-eligible Turnover divided by total Turnover.

The CapEx denominator is derived from the ALK group's total annual investments in property, plant and equipment as well as intangible assets, excluding short term leases and non-capitalised ROU assets based on Danish GAAP, as stated in the consolidated financial statements (see notes 3.1 - 3.3 on pages 121-126). Goodwill is not included in CapEx. The CapEx KPI is defined as Taxonomy-eligible CapEx divided by total CapEx.

The OpEx denominator covers direct non-capitalised costs that primarily relate to repair and maintenance, car expenses that are short term leased, tests and costs relating to the servicing of group assets that are necessary to ensure the continued and effective functioning of such assets. The OpEx KPI is defined as Taxonomy eligible OpEx divided by total OpEx.

For the CapEx and OpEx allocations, the relevant purchases and measures, as well as the primary related economic activity, are identified. Thereby, it is ensured that no CapEx or OpEx is double counted.

Social information



S1 Own workforce

ESRS S1

Equal treatment and opportunities

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Impacts, risks and opportunities

S1 Own workforce	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Decline in employee competencies due to inadequate skill upgrading	Potential negative impact		●		●	●	●
Employee retention, attraction and development challenges	Risk		●				●

As a global leader in allergy treatment within the pharmaceutical industry, ALK recognises that its workforce is its most valuable asset. ALK's strategy is designed to support their well-being, professional growth and inclusivity, ensuring that ALK attracts and retains key competences across its operations.

In the materiality assessment, ALK identified the following material impact and risk:

Impact

Decline in employee competencies due to inadequate skill upgrading

ALK relies on its employees having the right skills and competences in order to be able to perform their tasks and support business growth. If not maintained, the employees' skills will decline over time, and their ability to meet future business needs will not be supported. Without adequate development plans, employees may find it more challenging to meet new job expectations, have limited opportunities for promotion, and experience a decrease in employability after leaving ALK.

This creates a potential negative impact, which occurs in ALK's own operations over the short, medium and long term and is directly linked to ALK's own activities.

Therefore, ALK seeks to foster a culture of continuous learning and growth for its workforce. As part of the Global People Performance Process, all employees are required to have a personal development plan. These plans are linked to job content and performance goals and are updated annually. This process is exclusive to ALK employees and does not extend to non-employees.

Risk

Employee retention, attraction and development challenges

ALK operates in a highly competitive labour environment within the pharmaceutical industry, especially at its Danish, Chinese, and USA East Coast sites. With a revenue growth strategy of 10%, paying competitive salaries and ensuring continuous learning and skills development is critical for ALK to meet its strategic targets. Salaries below relevant market levels as well as insufficient learning and development opportunities can negatively impact employee retention and reduce the overall attractiveness of ALK as a workplace. This may hinder the company's ability to attract new employees and retain existing ones.

This risk is focused on ALK's own operations and could lead to a shortage of necessary competencies needed to support business growth in the short, medium, and long term.

To mitigate this risk, ALK's reward philosophy and salary processes aim to ensure competitive wage levels and emphasises continuous skill enhancement across all business areas, through learning and development opportunities.

S1-1
Policies related to own workforce

ALK endorses the UN Guiding Principles on Business and Human Rights and is a signatory to the UN Global Compact. These commitments are integrated into ALK's Code of Conduct, which applies to all employees.

ALK's Code of Conduct explicitly prohibits employees from condoning or engaging in any form of child or forced labour. The policy does not specifically mention human trafficking, as this is not a high-risk topic within ALK's industry.

The Code of Conduct is presented in detail in G1-1 on page 88.

In addition to the Code of Conduct, which addresses harassment, ALK has adopted a Diversity & Inclusion (D&I) Policy which aims to eliminate discrimination and promote equal treatment and opportunities for all employees. It sets out ALK's ambition to create an inclusive work environment that fosters a sense of belonging where different perspectives, abilities, talents and experiences are able to contribute equally. The policy applies to all ALK employees. The most senior level accountable for implementing the policy is the ALK Sustainability Committee, which receives quarterly reports from ALK's sustainability department on company-wide diversity performance. The ALK D&I policy specifies that the following grounds for discrimination are unacceptable: age, gender, race, ethnicity, religion, sexual orientation, disability or and other characteristics including work and life perspectives. The policy does not include specific commitments for inclusion of people from particularly at-risk or vulnerable groups.

ALK tracks employees' perceptions of diversity and inclusion and their sense of psychological safety via the annual employee engagement survey. In 2024, the overall perception of D&I in ALK was 8.4, which is 0.2 points above the industry benchmark. Other initiatives to promote diversity and inclusion include training leaders on unconscious bias and incorporating D&I topics into talent development programmes.

S1-2
Processes for engaging with own workforce and workers' representatives about impacts

ALK's commitment to fostering a culture of open communication, engagement and collaboration is anchored in two key processes: the workers' councils and the employee engagement survey. This engagement has informed the material impacts and opportunities around development plans and learning opportunities, as well as health and safety matters.

Workers' councils

Formalised workers' councils are established at all European sites where legally required. These councils serve as dedicated forums where both employees and management can address and resolve a spectrum of issues, ranging from the company's competitiveness to employee engagement. In the USA and China, dialogues are facilitated through the People & Organisation departments.

Workers' council meetings are held several times a year. Engagement varies according to topic and can take the form of information-sharing, consultation or co-determination. Involvement of workers' councils in decision-making follows local legal principles for engagement.

Engagement survey

Direct engagement with all employees is driven by the annual global employee engagement survey, which provides a direct avenue for expressing satisfaction and offering feedback.

This year's participation rate remained high at 95% (2023: 95%), reflecting the Executive Leadership Team's commitment to valuing employee feedback and taking action. The overall engagement score was 8.3 (2023: 8.4), positioning ALK in the top 5% against the international healthcare benchmark.

The Executive Vice President of People and Organisation is responsible for ensuring that the engagement with employees happens and informs the Executive Leadership Team (ELT) of the results and actions taken.

S1-4
Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Development plans at ALK depend on an employee's life-cycle stage (new hire, experienced professional, or resigned employee). These plans are linked to job content and performance goals, updated annually between March and October. The process is tracked through the human resources system, with a completion rate of 93% for 2024 (see S1-13 on page 78).

ALK follows the 70-20-10 learning principle: 70% on-the-job training, 20% peer learning, and 10% training/classroom learning. ALK does not currently have a process to assess the quality of development plans, so it is not possible to document the exact linkage between development actions and individual performance.

ALK plans to review and improve the development plan process in 2025 by providing clearer guidance and enhanced training for both employees and leaders. ALK also aims to enhance its D&I strategy to include other diversity parameters, such as geography. ALK intends to update its talent approach to ensure that the right talents are identified, targeted, and developed in alignment with the overall strategy.

To address the continuous development of its leaders, ALK continued the rollout of the Leading with Impact programme for 186 leaders across the organisation. ALK will continue to focus on leadership development by addressing critical leadership capabilities and creating scalable training solutions for leaders worldwide.

ALK has a dedicated team within Global People and Organisation that manages global development programmes for employees. In addition, leaders and employees are responsible for ensuring that own skills meet current and future job requirements.

S1-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the CSRD implementation, ALK has prioritised the establishment of baseline data for its reporting before initiating the target-setting process. As a result, ALK has not yet set targets to address its material impacts and opportunities within its own workforce or engaged with employees or their representatives specifically on this matter. The need for additional targets will be reviewed in 2025.

S1-6
Characteristics of the undertaking's employees

Employees' characteristics	Unit	2024	2023[1]
Number of employees per country			
China	#	175	164
Denmark	#	942	983
France	#	357	379
Germany	#	137	142
Poland	#	96	101
Spain	#	364	373
USA	#	547	533
Other	#	194	214
	#	**2,812**	**2,889**
Number of permanent employees			
Male	#	970	990
Female	#	1,601	1,645
Chooses not to self identify	#	3	3
	#	**2,574**	**2,638**
Number of temporary employees			
Male	#	95	95
Female	#	142	156
Chooses not to self identify	#	1	-
	#	**238**	**251**
Total male	#	**1,065**	**1,085**
Total female	#	**1,743**	**1,801**
Total chooses not to self identify	#	**4**	**3**
Total number of employees	#	**2,812**	**2,889**

Employees' characteristics	Unit	2024	2023[1]
Number of non-guaranteed hours employees			
Male	#	15	14
Female	#	20	23
Chooses not to self identify	#	-	-
	#	**35**	**37**
Employee turnover	#	463	316
Employee turnover	%	17%	12%

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report.

ALK employs 2,812 employees (2023: 2,889), out of which 2,574 are permanently employed (2023: 2,638). The employee turnover was 17% in 2024 (2023:12%), out of which 283 employees left voluntarily and 180 involuntarily. The decrease in number of employees and the increase in employee turnover reflects the organisational adjustments relating to the implementation of the Allergy+ strategy.

The most representative number, disclosed in the consolidated financial statements, corresponding to the total number of employees is the full-time equivalent employees (FTEs) (note 2.4 on page 116).

S1-13
Training and skills development metrics

Training and skills development	Unit	2024
Participation in performance and career reviews		
Male	%	91%
Female	%	94%
Chooses not to self identify	%	100%
Number of performance reviews per employee per year	#	**1**
Total participation to performance and career reviews	%	**93%**

S1-16
Remuneration metrics (pay gap and total remuneration)

Remuneration metrics	Unit	2024	2023[1]
CEO annual compensation ratio	Times	33	30
Gender pay gap	%	17%	16%

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report.

The gender pay gap reflects the disparity in representation, as ALK currently has a higher proportion of men than women in senior leadership positions. ALK is continuously working on ensuring gender equality in leadership positions.

ESRS S1

Health and safety

ESRS 2-SBM3
Material impacts, risks and opportunities and their interaction with strategy and business model

Impacts, risks and opportunities

S1 Own workforce	IRO	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
		Location in the value chain			Time horizon		
Injuries due to workplace accidents in farming and production	Actual negative impact		●		●		

Impact

Injuries due to workplace accidents in farming and production
Health and safety management is an essential part of ALK's operations, especially in production and farming activities where employees may face workplace risks. Based on engagement with internal stakeholders representing affected stakeholder groups, ALK has developed an understanding of how people working in particular activities may produce specific negative impacts.

Workplace accidents during production and farming may result in injuries to members of ALK's workforce. These injuries can cause physical harm, impact mental well-being, and raise concerns about workplace safety. Such incidents may also affect employee morale and productivity.

This creates an actual negative impact on ALK's own workforce, which is related to individual incidents and occurs annually in the short term. To prevent accidents and mitigate their effects, ALK conducts risk assessments, implements safety protocols, and adheres to national and Occupational Safety and Health Administration (OSHA) standards for injury recording and compliance.

S1-1
Policies related to own workforce
ALK adheres to national legislation and regulatory requirements in all countries of operation. ALK follows local legislation to ensure compliance with health and safety requirements. In the USA, ALK complies with OSHA standards. Safety procedures are implemented at production facilities to mitigate risks identified through assessments and ensure a safer working environment.

As a result, ALK has not previously identified the need for a global Environmental, Health, and Safety (EHS) policy or a global management system.

S1-3
Processes to remediate negative impacts and channels for own workforce to raise concerns
ALK emphasises the importance of engaging workers in health and safety practices to foster shared responsibility and workplace safety.

To prevent injuries, ALK conducts risk assessments across all its production sites. These assessments identify potential hazards, implement appropriate measures to reduce risks and evaluate the effectiveness of existing safety measures. Workers contribute to those risk assessments by providing input on hazards and by helping to develop site-specific safety measures.

Workplace injuries are also recorded and monitored. For USA operations, ALK adheres to OSHA standards for tracking and reporting injuries. This data provides insights into workplace safety trends and helps ensure that operations comply with applicable legal frameworks.

Employees are encouraged to report unsafe conditions or hazards, which are promptly reviewed and addressed to improve workplace safety. Regular training ensures that workers understand health and safety procedures and risks relevant to their tasks.

All employees can also raise concerns through the whistleblower platform ALK Alertline, which is described in detail in G1 on page 89.

S1-4
Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ALK has a continuous focus on maintaining health and safety for its employees and is actively engaged in projects focused on improving material risk and work force exposure. This engagement has ensured that ALK employees' exposure to chemicals/substances is minimised/reduced. Tracking of yearly training ensures that ALK employees have the necessary competences to perform safe work processes.

S1-14
Health and safety metrics

Health and safety	Unit	2024	2023[1]
Work-related accidents	#	112	106
Work-related accidents	rate	1.5	0.8
Fatalities as a result of work-related incident	#	-	-
Employees covered by health & safety management system	%	74%	N/A

[1] 2023 figures are not covered by the Independent Auditor's limited assurance report.

ALK had 6 accidents with lost time absence ordinated by a medical professional in 2024 (2023:3). This resulted in an accident rate of 1.5.

S1-17
Incidents, complaints and severe human rights impacts

See G1 on page 90.

S2 Workers in the value chain

ESRS 2-SBM3
Material impacts, risks and opportunities and their interaction with strategy and business model

Impacts, risks and opportunities

S2 Workers in the value chain	IRO	Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Health and safety related incidents of workers in the value chain	Potential negative impact	●		●	●	●	●

The materiality assessment identified the impacts seen below related to workers in ALK's value chain. Those impacts originate from ALK's strategy and business model and are integrated into ALK's work with its suppliers. While ALK has identified its high-level material impacts on value chain workers, a more detailed understanding is still to be developed, to identify specific activities where workers may be at a greater risk of harm. However, the majority of ALK's suppliers are EU-based where the level of law enforcement is generally high and the risk of child labour low.

Impact

Health- and safety-related incidents involving workers in the value chain

As an international pharmaceutical company specialising in products based on allergenic source materials, ALK relies upon business partners and suppliers across its value chain to produce and distribute its products. Health and safety management is integral to the success of both ALK and its suppliers. Health and safety incidents can result in a range of negative consequences for individuals and can potentially happen in all parts of the value chain.

The most significant groups of supplier employees who could be materially impacted are:

- **Workers in upstream production units.** They could be exposed to hazardous substances, including chemicals used in the manufacture of pharmaceutical ingredients and consumables. Key risks in this area include chemical exposure, operational hazards and ergonomic risks.
- **Workers involved in downstream transportation.** They face the risk of vehicle accidents, which can result in serious injuries or fatalities. These include risks during loading and unloading as well as during transit.
- **Workers handling hazardous waste.** They can encounter harmful chemicals that pose significant health risks, including chemical burns, respiratory issues and toxic exposure.

The potential negative impact is concentrated in ALK's upstream and downstream supply chain and may occur in the short, medium and long term as individual incidents. To address this impact and prevent harm to workers in its value chain, ALK has policies and procedures in place to ensure that its business partners and suppliers uphold high safety standards. Moreover, ALK seeks to establish long-term partnerships with its suppliers, which offer them financial stability and allow them to allocate resources toward ensuring job security for their workers.

S2-1
Policies related to value chain workers

ALK's Third-Party Code of Conduct outlines the standards of behaviour that ALK expects from all third parties globally when it comes to business conduct and treatment of employees. The Third-Party Code of Conduct is aligned with the Ten Principles of the United Nations Global Compact and follows the UN Guiding Principles on Business and Human Rights, as well as applicable laws, regulations, standards and labour agreements.

Key areas covered include health and safety, animal welfare, anti-corruption, environmental practices, working conditions, human rights (including child and forced labour, anti-discrimination and fair pay), interaction with healthcare professionals and patient organisations. The policy does not specifically mention human trafficking.

Any violations of the standards set out in the ALK Third-Party Code of Conduct can be reported through the whistleblower platform.

The Third-Party Code of Conduct is an integral part of ALK's GxP (good practice) supplier agreements. All new suppliers must commit to the Code as a pre-requisite for collaboration with ALK. The Chief Finance Officer is the most senior-level executive accountable for the implementation of ALK's Third-Party Code of Conduct.

In addition to the Third-Party Code of Conduct covering human rights impacts, ALK also adheres to the UK Modern Slavery Act and publishes an annual statement of compliance.

S2-2
Processes for engaging with value chain workers about impacts

While ALK does not currently have a formal process in place to engage with value chain workers about impacts, ALK is committed to developing robust engagement strategies that will enhance communication and strengthen its connection with value chain workers in the future. ALK is actively working to establish processes for engaging with value chain workers in 2025. The Senior Vice President of Global Procurement is responsible for the supplier engagement.

S2-3
Processes to remediate negative impacts and channels for value chain workers to raise concerns

Value chain workers can raise their concerns through the whistleblower platform ALK Alertline. No complaints involving such workers were substantiated in 2024. ALK does not have structures or processes to assess whether value chain workers are aware of and trust ALK Alertline.

ALK Alertline is described in detail in G1 on page 89.

S2-4
Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Supplier relationships

ALK prioritises collaboration with reputable suppliers who adhere to high standards in their labour practices, reducing the likelihood of serious working conditions-related issues. By establishing long-term contracts with these suppliers, ALK ensures financial stability, which fosters a commitment to high labour standards and responsible working conditions. These agreements provide suppliers with reliable revenue streams, enabling them to invest in infrastructure, training and safety initiatives. Financial stability is fundamental for business development, and it enables suppliers to allocate resources to product development and job security for workers.

As a result, long-term contracts with suppliers both strengthen supply chain resilience and promote the well-being of workers, contributing to a sustainable and ethical operational environment.

Risk assessment and monitoring

To address supplier risk, ALK continued its collaboration with an external supplier evaluation platform to identify environmental, labour and human rights, and procurement risks. From this initial risk assessment, ALK continues to conduct high-level assessments to identify whether further engagement may potentially be required.

The potential negative impact that ALK might cause is monitored through its business relationships. If there is a potential case, appropriate actions are taken accordingly.

No severe human rights issues and incidents connected to ALK's upstream and downstream value chain were reported in 2024 (see G1-1 for more information on page 90).

Monitoring and continuous improvement

The sustainable procurement manager is a newly established role with responsibility for oversight and management of the sustainable procurement programme globally in ALK.

While ALK has not identified any material actual negative impacts, ALK will continue to evaluate its suppliers from a sustainability perspective and take action accordingly. To properly track the effectiveness of remedy actions for workers in the value chain in the future, ALK is seeking to implement a comprehensive monitoring system that includes regular assessments and feedback mechanisms to measure outcomes related to worker welfare and satisfaction over time.

ALK is committed to enhancing its due diligence processes by 2025, with a focus on continuous improvement and compliance with emerging reporting standards.

S2-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ALK will be updating its responsible supply chain strategy in 2025 and considering the need for specific targets to manage health- and safety-related impacts on workers in the value chain. As of 2024, ALK has therefore not yet identified the need for targets related to workers in the supply chain or for engaging with workers in the value chain or their representatives.

S4 Consumers and end-users

S4-SBM3
Material impacts, risks and opportunities and their interaction with strategy and business model

Impacts, risks and opportunities

S4 Consumers and end-users	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Allergy treatment	Actual positive impact			●	●	●	●
Barriers to access	Actual negative impact			●	●	●	●
Patient safety	Actual negative impact			●	●	●	●
Climate change and respiratory health	Opportunity		●				●

Allergy is the most common type of chronic disease globally and it has a profound impact on people's lives. For more than 100 years, ALK has been at the forefront of long-term allergy treatment. ALK is dedicated to offering a wide range of treatments, products and services to meet the unique needs of people living with allergy, their families and doctors.

The materiality assessment identified the following material impacts and opportunities related to customers and end-users. The materially impacted consumers and end-users are healthcare professionals and patients.

Based on engagement with internal stakeholders representing affected stakeholder groups, ALK has developed an understanding of how particular products may create specific negative impacts.

Impact

Allergy treatment
ALK products are available worldwide, reaching individuals with diverse ethnic backgrounds, in some cases starting from childhood. ALK offers solutions and products for people affected by allergy and aims to treat a wide range of allergies. Within ALK's portfolio, sublingual immunotherapy tablets offer accessible long-term allergy treatment, which can be administered at home, unlike injections which require regular visits to a doctor. Moreover, tablets do not require up-dosing or refrigeration and are available for five of the most common respiratory allergies. ALK's products therefore seek to enhance the health and well-being of patients regardless of their ethnicity, gender, or age.

ALK's portfolio includes treatment options for a variety of allergens, some of which can be potentially life-threatening (e.g. anaphylaxis, venom immunotherapy). An adrenaline autoinjector is indicated in the emergency treatment of severe acute allergic reactions (anaphylaxis) to insect stings or bites, foods, drugs and other allergens as well as idiopathic or exercise anaphylaxis. Similarly, ALK's venom immunotherapy can help patients who are highly allergic to stings from insects. For both cases, ALK enhances the personal safety of its end-users by providing effective treatment options and can turn a life-threatening condition into a non-life-threatening issue. For other allergies like house dust mites and grass and tree pollen, the treatment improves the quality of life of the patient.

These actual positive impacts are concentrated in ALK's downstream value chain, occur in the short, medium and long term and are linked to ALK's own activities.

Impact

Barriers to access
ALK is committed to providing more effective help to a greater number of people with allergies and implements its allergy care principles globally to ensure broad access. However, ALK products need to be prescribed by a healthcare professional. Currently, allergy treatment is not necessarily considered a priority topic by all healthcare systems, leading to a barrier to access to allergy care for the patient. This can have a consider-

able negative impact on patients who are unlikely to receive ALK medicines from an allergy specialist.

ALK aims to price its treatments fairly and competitively, and affordability for patients is often supported by public and/or private health insurance and reimbursement schemes offered by authorities. However, without access to public health provisions or insurance, some patient groups who could benefit from allergy treatment may not be able to afford it.

In markets such as the USA with private healthcare, hospital doctors and general practitioners are paid based on the services provided, leading them to favour giving injections over prescribing tablets. The structure of the healthcare system can therefore disincentivise doctors to prescribe the cheaper allergy tablets and favour potentially suboptimal and more expensive treatments such as injections.

The barriers to treatment access represent systemic actual negative impacts. They occur in ALK's downstream value chain and recur every year. ALK is indirectly impacting the patients.

Impact

Patient safety

Allergy treatments are effective in most cases but not all. If the treatment proves ineffective, alternative options are limited, leaving individuals without the potential life-changing benefits of ALK products. This creates an actual negative impact, which directly compromises the well-being and safety of individuals relying on those treatments.

The impact is concentrated in ALK's downstream value chain, arises from ALK's own activities as individual and isolated events, and occurs in the short, medium and long term.

Opportunity

Climate change and respiratory health

Climate change directly threatens respiratory health by extending pollen seasons, increasing airborne allergens, and altering the distribution and abundance of allergenic plants. Global warming also leads to higher humidity, creating favourable conditions for mould growth and potentially higher allergen exposure. Addressing climate change is thus an environmental imperative with significant social and public health dimensions.

Climate-induced species migration introduces new types of pollen and allergens to regions that were previously unaffected, presenting new market opportunities for ALK through emerging allergies. The increased length and severity of pollen seasons expand the potential market size for ALK, as more individuals have prolonged and intensified allergy symptoms. Spikes in allergen concentrations can also trigger reactions in a larger segment of the population by exceeding their individual tolerance levels.

This potential opportunity is concentrated in ALK's own operations, it would not be related to specific groups of consumers or end-users, and is expected to happen over the long term. ALK has indirect control over this opportunity which would benefit its own operations. Specific financial effects have not yet been identified.

S4-1
Policies related to consumers and end-users

ALK's Access to Medicines Policy sets out the company's ambition to reach more patients. The policy focuses on three key principles: improving quality of life through better treatment options and earlier diagnosis, supporting healthcare systems with training and education on allergy care, and forming partnerships for broader access. The policy is continually reviewed by the ELT to ensure alignment with the overall strategy of the ALK Group. Reporting is done through ALK's website and annual report, ensuring transparency and accountability.

The oversight, accountability and responsibility for the implementation of ALK's Access to Medicines Policy rests with the Board of Directors, which has delegated this responsibility to the ELT.

The policy covers both people with allergy and healthcare professionals and relates to material impacts related to access treatment and access barriers.

The pharmaceutical industry is heavily regulated, with human rights topics like the right to health and informed consent in clinical trials already embedded in legislation. Therefore, ALK does not have specific consumer policies aligned with the UN Guiding Principles of Business and Human Rights.

External stakeholders with a business-related connection to ALK can report potential human rights impacts through the Alertline (see G1 on page 89).

S4-2
Processes for engaging with consumers and end-users about impacts

See ESRS 2-SBM2 on pages 39-40.

S4-3
Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ALK works closely with doctors, pharmacists, and other healthcare professionals to ensure they have the necessary information to advice patients.

Furthermore, ALK's digital universe empowers people to proactively manage their allergies by offering information and guidance on how to avoid or alleviate symptoms and seek treatment.

In addition to reaching patients through its digital platforms, ALK engages systematically in educational activities, training and dialogue with healthcare professionals to elevate the standard of care in allergy diagnosis and treatment. Much of the engagement is done digitally to enable ALK to reach more healthcare professionals within a shorter time and reduce the climate impact of travelling to physical meetings. ALK's approach to engaging with healthcare professionals also encompasses collaboration with patient organisations across the globe to raise awareness around patient care and product safety.

In the ongoing efforts to develop innovative, effective treatments for allergies, ALK conducts clinical trials in close collaboration with authorities, healthcare professionals, scientists and, most critically, patients. ALK upholds safety, privacy, ethics and respect through every phase of the clinical trials and adheres to the Principles for Responsible Clinical Trial Data Sharing from the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the Pharmaceutical Research and Manufactures of America (PhRMA). In this way, ALK ensures that clinical trial data is used responsibly and transparently, safeguarding patient privacy and respecting the integrity of national regulatory systems that protect proprietary information.

Rigorous industry regulations ensure that safety data from any source, including clinical trials, healthcare professionals or patients, is collected and analysed systematically by ALK's global pharmacovigilance team. This ensures that the safety profile of the products is optimised for the benefit of the patient and that the relevant authorities can be made aware of any safety issue in order to facilitate immediate action.

Patients are informed of how they can contact ALK to report potential side effects in the leaflets for all products.

External stakeholders with a work-related connection to ALK can raise their concerns through the whistleblower platform ALK Alertline, which is described in detail in G1 on page 89.

S4-4
Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Helping more people with allergies is at the core of ALK's Allergy+ strategy. ALK will prioritise and focus its commercial activities to strengthen its global leadership in respiratory allergies including targeted expansion of the sublingual immunotherapy tablets to new patient groups and geographies, digital mobilisation and investments in high impact markets.

Information about actions taken, planned and underway to address material impacts and opportunities, according to S4-4, is incorporated by reference to the sections "Strategy progress: Review of Allergy+ implementation", on pages 10-11, and "Expanding the addressable markets" of Business and strategy, on pages 16-17.

S4-5
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ALK aims to help 5 million allergy patients by 2030 to advance its positive impact and opportunity. The target covers ALK's downstream activities in the countries where ALK operates (see "ALK at a glance" on page 5).

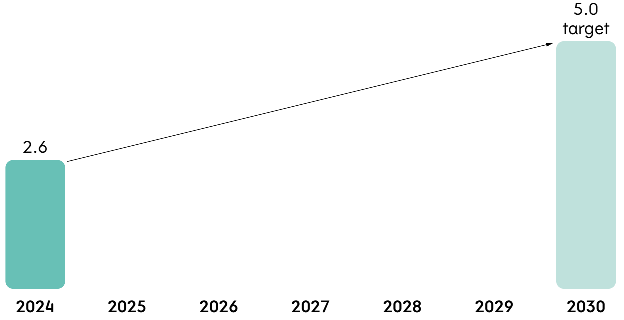
In 2024, ALK reached an estimated 2.6 million patients in treatment, as a result of its commercial activities.

Although ALK has previously had the need to establish specific external targets, it will assess the potential necessity for additional targets related to access barriers and patient safety in 2025.

ALK has not engaged directly with patients or their representatives on the target setting, but information has been obtained indirectly through market insights.

Number of patients in treatment

Million patients (estimated)



Accounting policies – Social information

The numeric datapoints reported are verified through internal controls, analysis, benchmarks, and regular business meetings. External auditors provide limited assurance on 2024 metrics, but they are not validated by another external body. N/A is used when data was not available at the time of the reporting and could not be retrieved.

Own workforce

Workforce is defined as all ALK employees who are on payroll as of 31 December 2024, both full-time and part-time, as well as active and non-active. The numbers are reported in headcount as of end of reporting period.

S1-6

Characteristics of the undertaking's employees
Permanent employees are determined as employees whose employment contract is without a specified end-date. Temporary employees are determined as employees whose employment contract is with specified end-date. Non-guaranteed hours employees are determined as employees employed by ALK without a guarantee of a minimum or fixed number of working hours. The employee may need to make themselves available for work as required, but ALK is not contractually obligated to offer the employee a minimum or fixed number of working hours per day, week, or month.

For any employee-related metrics, headcount measures are used. The measures are extracted from the HR systems. The numbers are reported in headcount as of end of reporting period.

For reporting by gender, the following descriptions are used: 'Male', 'Female', and 'Employee chooses not to self-identify'.

For breaking down per countries, countries with less than 50 employees are classified as 'other countries'. When reporting by geographical areas, regions are broken down into North America (USA, Canada), Asia (China, Russia, Jordan, Turkey), and Europe (Denmark, France, Spain, Germany, Poland, Netherlands, Sweden, Slovakia, United Kingdom, Austria, Switzerland, Norway, Italy, Belgium, Czech Republic, Finland, Ireland).

Employee turnover
Employee turnover is defined by the number of employees leaving ALK during the period. The turnover is a total of voluntary and involuntary terminations. The employee turnover ratio is calculated by dividing the number of employees who left ALK by the average number of employees in the reporting year. The employees included in the calculation are all permanent employees and inactive employees on garden leave. Due to local regulations, temporary employees located in Poland and China are also included, as a temporary contract is required before transitioning to permanent status.

S1-16

Remuneration metrics
Gender pay gap (significant estimate)
Gender pay gap is defined as the difference of average base pay levels between male and female employees, relative to the average annual pay of male employees. Average gross annualised earnings are used in this calculation due to limited data availability for hourly pay levels. The use of estimates for this datapoint is considered significant.

CEO annual compensation ratio
CEO annual compensation is determined by the annual total compensation of the CEO against the median annual total compensation for all full-time active (permanent and temporary) employees, excluding the CEO. Annual total compensation includes salary, bonus, allowances, pension, and all one-time payments over the course of a year.

S1-13

Training and skills development metrics
A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees.

Employee engagement
Participation rate and engagement score are collected from a survey conducted by a third party.

S1-14

Health and safety metrics
Work-related incidents are reported to Global Environment, Health and Safety. Work-related accidents are defined as unplanned events that result in injury, with or without absence. The number of accidents is reported per site on a monthly basis. The rate of work-related accidents is calculated as Lost Time Injury Frequency Rate (LTIFR). It measures the number of accidents with absence multiplied by million, divided by total working hours during a single financial year. A lost-time injury is a work-related injury that results in time lost from work ordered by a medical professional person.

Fatalities are the number of employees who lost their lives as a result of a work-related incident.

Consumers and end-users

Number of patients in treatment (significant estimate)
Due to the absence of comprehensive data sources across all markets, it is not possible to directly and specifically measure the number of patients treated with ALK products. Patient numbers are estimated using various data sources, an in-house Patient Model and insurance claims data, while applying several assumptions, which leads to a certain level of uncertainty. The use of estimates for this datapoint is considered significant.

When a more precise method is not available, units sold ex-factory are converted to treatment years per patient using a treatment years conversion factor. This estimation is adjusted based on market and patient research from various countries, applying an adherence rate and a co-administration rate across products and countries to prevent e.g. double counting patients receiving multiple types of allergy immunotherapy treatments (AIT) simultaneously.

When available, more precise methods are tailored to specific product groups as follows:

For SLIT-drops in most markets, anonymized data and unique patients counted based on prescription data are used.

For SLIT-tablets in most markets, data is based on the in-house Patient Model. The Patient Model uses in-market units sales data and where possible new patient data to convert to patients in treatment. Actual in-market sales and patient data are used for two-thirds of the year, while the remaining portion is forecasted. A co-administration rate is applied to tablet patients.

In North America, ALK sells bulk allergen extracts to healthcare professionals who prepare the allergy shots using various and unspecified dosing schedules. To estimate the number of patients receiving AIT, a commercial claims database is used. Extrapolation of the patient number to USA population is done using the ratio of database coverage to the total USA population. To obtain the number of patients on AIT, an estimated market share is applied. Given that commercial claims data have a 14-16-month time lag, the extrapolation to the current year is done by applying a discounted revenue growth from the time of data extraction to the current year.

For the Auto Adrenaline Injector (AAI), following official recommendations, the number of sold pens is divided by 2 to reflect the assumption that each patient carries two pens at a time.

Governance information

G1 Business conduct

ESRS G1

Impacts, risks and opportunities

G1 Business conduct	IRO	Location in the value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
Animal welfare	Actual negative impact		●		●	●	●
Potential bribery of healthcare professionals	Risk			●	●		

Information about Corporate governance can be found on page 28.

ESRS G1

Animal Welfare

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Impact

Animal welfare

When developing new treatments, ALK conducts tests on animals to ensure that patients receive safe and effective medicines. ALK only uses animals for research purposes when alternative models do not provide the data necessary to evaluate the treatment. ALK conducts regular experiments on animals through allergen injections on mice in its own internal R&D facilities. Within ALK's own operations, the negative impact on the animals is from the injections, and also from keeping them in captivity and euthanising them after the experiments are finished. This impact occurs over the short, medium and long term.

To mitigate this impact, ALK selects professional, well-recognised and accredited suppliers, adhering to the guidelines from the Federation of European Laboratory Animal Science Associations (FELASA).

G1-1

Business conduct policies and corporate culture

Animal welfare

ALK ensures compliance with local regulations related to animal welfare. As a result, ALK has not previously identified the need for a centralised global policy on animal welfare. However, it is in the process of developing a global animal welfare policy scheduled for implementation by 2025, which will be approved by the governance bodies.

ESRS G1

Corruption and bribery

ESRS 2-SBM3

Material impacts, risks and opportunities and their interaction with strategy and business model

Risk

Potential bribery of healthcare professionals

The pharmaceutical industry faces risks associated with bribery and corruption, particularly in the context of employees' interactions with healthcare professionals (HCPs). The main risk of corrupt behaviour for ALK concerns potential bribery of healthcare professionals, i.e., using improper influence over HCPs to increase ALK's sales and cash flow.

An incident of such corrupt behaviour could have significant legal, reputational and financial repercussions. This risk arises in ALK's downstream value chain over the short term. There are no current financial effects, nor any significant risk of material adjustment for next year. This risk is mitigated through the regular training of all employees on ALK's Code of Conduct.

G1-1

Business conduct policies and corporate culture

Code of Conduct

ALK's approach to business conduct is grounded in a comprehensive framework of policies centred on its Code of Conduct. The Code of Conduct, applicable to all ALK employees, sets the tone for business integrity and ALK's ethical principles. It affirms ALK's commitment to upholding human rights, safeguarding confidential business information, and promoting zero-tolerance for corruption and fraud. The Executive Leadership Team (ELT) is responsible for oversight of the Code of Conduct.

ALK has not developed specific global policies on business conduct training, as the ALK Policy for Anti-Corruption already includes a general commitment to train employees, and business conduct training is administered in practice (see "Training and awareness" on page 90).

ALK's Code of Conduct is complemented by additional policies on business conduct matters, which also apply to all ALK employees and are publicly accessible on the ALK website.

Whistleblowing Policy

The Code of Conduct is supplemented by specific policies, such as the Whistleblowing Policy, which defines the organisation and processes in place to ensure that ethical concerns are treated seriously and appropriately; it includes the standards for investigating such cases and protecting whistleblowers. The policy includes a non-retaliation commitment to protect any employee or stakeholder who raises a concern in good faith.

The ALK Audit Committee has the overall responsibility for the Whistleblowing Policy, and for reviewing the effectiveness of actions taken in response to concerns raised under the policy. The Corporate Affairs & Legal department has day-to-day operational responsibility for the policy.

Policy for Anti-Corruption

With regard to the risk of potential bribery of healthcare professionals, the ALK Policy for Anti-Corruption addresses compliance with general anti-bribery and anti-corruption legislation, as well as industry-specific standards covering interactions with healthcare professionals. It is consistent with the United Nations Convention against Corruption.

The Board of Directors is responsible for ensuring that the policy complies with applicable laws, while managers are responsible for implementing the policy at all levels.

Third-Party Code of Conduct

In parallel with this, expectations for business partners are outlined in the Third-Party Code of Conduct, which applies to ALK's upstream and downstream value chain. ALK's Whistleblowing Policy also applies to external stakeholders.

Details on the Third-Party Code of Conduct are provided in S2-1 on pages 81-82.

ESRS G1

Channels to raise concerns

ALK Alertline

ALK has established a whistleblowing system: ALK Alertline, which is accessible to internal and external stakeholders. The company's own workforce, value chain workers and other external stakeholders with a work-related connection to ALK can use the ALK Alertline to raise and report serious and sensitive concerns, including reasonable suspicions of breaches of ALK's Code of Conduct, anti-corruption laws, and laws within the scope of the EU Whistleblower Protection Directive.

ALK Alertline is confidential and offers the option of anonymous reporting, as a protective measure against retaliation. Available by phone or online in eight languages, ALK Alertline is accessible via ALK's intranet and on its public websites.

Reports are entered directly into an independent company's secure server. Corporate Affairs & Legal manages the access, and the reports are made available only to pre-appointed individuals within ALK who are responsible for evaluating reports.

The monitoring and tracking of registered reports are described below under G1-3 on page 89.

The non-retaliation commitment is specified under G1-1 on page 88.

ALK assesses awareness and trust in the processes for raising concerns by including questions in the annual engagement survey about employees' confidence in ALK addressing serious misconduct and the importance managers place on employee well-being.

In addition to ALK Alertline, employees are encouraged to speak up and raise any concerns through ordinary management channels. ALK launched manager training in 2024 on how to recognise and respond to whistleblower reports. This training includes a section stressing reporter protections, including against retaliation.

ESRS G1

Whistleblowing and anti-corruption system

Incidents of bribery and corruption	Unit	2024
Convictions for violation of anti-corruption and bribery laws	#	-
Fines for corruption and bribery convictions	DKKm	-

G1-3

Prevention and detection of corruption and bribery

G1-4

Incidents of corruption or bribery

ALK takes a zero-tolerance approach to corruption and bribery. In addition to ALK Alertline, financial control systems act to prevent and detect any corruption and bribery events.

Should an allegation of corruption or bribery be made through ALK Alertline, the ensuing investigation is governed by ALK's Compliance Investigations Process. Each case is overseen by an investigation supervisor. This may be the Vice President, Corporate Affairs & Legal or their designee, usually within the Legal or Compliance functions. Where appropriate due to specific allegations in a report, an investigation supervisor independent from the chain of management will oversee the case: either external legal counsel, or the Chair of the Audit Committee.

The Chair of the Audit Committee is notified of reports concerning corruption and is responsible for deciding whether to approve case recommendations. Corporate Affairs & Legal also updates the Audit Committee on an annual basis on all ALK Alertline activities for the past year.

In 2024, ALK had no convictions or related fines for violations of anti-corruption and anti-bribery laws.

ESRS G1

Training and awareness

Code of Conduct training	Unit	2024
Functions-at-risk Code of Conduct training completion	%	99%

G1-3

Prevention and detection of corruption and bribery

G1-4

Incidents of corruption or bribery

Training and awareness activities are essential for fostering a culture of integrity and creating a common understanding of what is expected from ALK's employees.

All new hires are required to confirm that they agree to act in accordance with the Code of Conduct. Online training on the Code of Conduct is also rolled out annually for all employees. It includes all ELT members and ALK employee representatives serving on the Board of Directors.

The training covers relevant business conduct topics including anti-corruption, ALK Alertline, communications, promotion & social media, competition law, conflicts of interest, political contributions, human rights, interaction with healthcare professionals, IT security, patient safety, and data privacy.

Employees who interact directly with health-care professionals have been identified as being at higher risk with regard to corruption and bribery. In ALK, these are to be found in commercial operations and medical affairs functions. Among ALK employees in such functions, 99% completed the global Code of Conduct e-learning course in 2024. Additional targeted training is offered at local level to these employees in these functions, to cover specific compliance matters such as promo-tional activities and interactions with health-care professionals. As 2024 is the first year of reporting of functions-at-risk, ALK does not have a specific target on completion rate of functions-at-risk Code of Conduct training.

S1-17

Incidents, complaints and severe human rights impacts

ALK Alertline and human rights incidents	Unit	2024
ALK Alertline		
Work-related discrimination reports registered on Alertline	#	1
Reports of other work-related complaints	#	3
Amount of fines, penalties and compensation for damages as a result of work-related complaints	DKKm	-
Severe human rights incidents		
Severe human rights incidents	#	-
Amount of fines, penalties, and compensation for damages for severe human rights incidents	DKKm	-

In 2024, ALK was not liable for any fines, penalties, or compensation for damages as a result of work-related Alertline reports or severe human rights incidents. Therefore, no related amounts have been accounted for in the financial statements.

Accounting policies – Governance information

The numeric datapoints reported are verified through internal controls, analysis, benchmarks, and regular business meetings. External auditors provide limited assurance on 2024 metrics, but they are not validated by another external body.

Business conduct

S1-17

Incidents, complaints and severe human rights impacts

ALK Alertline is the company's whistleblower system, which can be used to report serious and sensitive concerns - including serious offenses against persons such as discrimination.

Work-related complaints and reports refer to allegations registered on Alertline which involve ALK's own workforce. Severe human rights incidents refer to substantiated incidents of human rights violations pertaining to ALK's own workforce.

Fines, penalties and compensation for damages are "as a result" of allegations and complaints only when such allegations and complaints are substantiated and undisputed. They are reported in the reporting year when they are imposed and final (i.e., the amount is no longer under appeal or in dispute).

G1-4

Corruption and bribery

Bribery can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit, and it comprises any financial or other inducement or reward for an action which is illegal, unethical, a breach of trust or improper in any way. Corruption is defined as abuse of entrusted power by someone for personal gain.

For purposes of the reporting, convictions in scope are final decisions or acts by courts of law, which constitute criminal convictions under applicable local law in the jurisdiction where the decision or act takes place. As required by the ESRS, only convictions where ALK or its employees are directly involved are considered within scope. Fines relating to such convictions are reported in the reporting year when they are imposed and final (i.e., no longer under appeal or in dispute).

G1-3

Prevention and detection of corruption and bribery

"Percent of functions at risk covered by training programs" refers to the percentage of Code of Conduct e-learning completion for employees in commercial operations or medical affairs. The Code of Conduct e-learning course was rolled out between March and May 2024.

Appendix

Incorporation by reference

The table below provides an overview of information incorporated by reference as part of other sections of this annual report, by stating the datapoint code beneath the relevant header, which remains applicable until the next header of the same level. When the datapoint applies to a specific part of a section, the datapoint code is cited in a footnote.

Disclosure Requirement code	Disclosure Requirement name	Datapoint code	Disclosed in section	Disclosed on page
ESRS 2-BP2	Disclosures in relation to specific circumstances	ESRS 2-BP2-16	Incorporation by reference	92-93
ESRS 2-GOV1	The role of the administrative, management and supervisory bodies	ESRS 2-GOV1-21a	Corporate governance	28-29
		ESRS 2-GOV1-21b	Corporate governance	28-29
		ESRS 2-GOV1-21c	Board of Directors	33-34
		ESRS 2-GOV1-21d	Corporate governance	28-29
		ESRS 2-GOV1-21e	Corporate governance	28-29
		ESRS 2-GOV1-23	Corporate governance	29
		ESRS 2-GOV1-23a	Corporate governance	29
		ESRS 2-GOV1-23b	Corporate governance	29
ESRS 2-GOV3	Integration of sustainability-related performance in incentive schemes	All data points	Corporate governance	30
ESRS 2-GOV4	Statement on due diligence	ESRS 2-GOV4-32	Core elements of due diligence	94-95

Disclosure Requirement code	Disclosure Requirement name	Datapoint code	Disclosed in section	Disclosed on page
ESRS 2-SBM1	Strategy, business model and value chain	ESRS 2-SBM1-40	Sales and market trends	19
		ESRS 2-SBM1-40a.i	Sales and market trends	19
		ESRS 2-SBM1-40a.ii	Sales and market trends	19
		ESRS 2-SBM1-40a.iii	ALK at a glance	5
		ESRS 2-SBM1-40e	Introduction to Allergy+	9
		ESRS 2-SBM1-40f	Sales and market trends	19
		ESRS 2-SBM1-40g	Expanding the addressable markets	16-17
		ESRS 2-SBM1-42	Business model	6
		ESRS 2-SBM1-42a	Business model	6
		ESRS 2-SBM1-42b	Business model	6
		ESRS 2-SBM1-42c	Business model	6
ESRS 2-IRO2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	ESRS 2-IRO2-56	Content index of ESRS disclosure requirements; List of data-points that derive from other EU legis-lation	96-105
E1-GOV3	Integration of sustainability-related performance in incentive schemes	E1-GOV3-13	Corporate governance	30
E1-3	Actions and resources in relation to climate change policies	E1-3-29c.i	Income state-ment	107; 123

Disclosure Requirement code	Disclosure Requirement name	Datapoint code	Disclosed in section	Disclosed on page
S1-6	Characteristics of the undertaking's employees	S1-6-50f	Staff costs	116
S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	All data points	Strategy progress; Expanding the addressable markets	10-11; 16-17
G1-GOV1	The role of the adminis-trative, management and supervisory bodies	G1-GOV1-5a	Corporate governance	29
		G1-GOV1-5b	Corporate governance	29

Phased-in Disclosure Requirements

Disclosure Requirement / Datapoint code	Disclosure Requirement / Datapoint name
ESRS 2-SBM3-48e	Anticipated financial effects
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
S1-7	Characteristics of non-employees in the undertaking's own workforce
S1-13-83b	Average training time per employee and by gender
S1-14-88d	Cases of work-related illness
S1-14-88e	Lost time due to work-related injuries, fatalities and illness

Core elements of due diligence

The table below maps the core elements of ALK's due diligence process, cross-referencing the impacts on people and the environment with the relevant disclosures in the sustainability statement.

ESRS 2-GOV4
Statement on due diligence

Core elements of Due Diligence	Pages in the sustainability statement	Does the disclosure relate to people and/or the environment?
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, pages 37-38	People and environment
	ESRS 2 GOV-3, pages 38	People and environment
	ESRS 2 SBM-3, pages 44-48	People and environment
	ESRS 2 SBM-3-E1, page 50 ESRS 2 SBM-3-E2, page 56 ESRS 2 SBM-3-E3, page 58 ESRS 2 SBM-3-E4, page 61 ESRS 2 SBM-3-E5, pages 63-64	Environment
	ESRS 2 SBM-3-S1, pages 74-75; 79 ESRS 2 SBM-3-S2, page 81 ESRS 2 SBM-3-S4, pages 83-84	People
	ESRS 2 SBM-3-G1, pages 87-88	People and environment

Core elements of Due Diligence	Pages in the sustainability statement	Does the disclosure relate to people and/or the environment?
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, pages 37-38	People and environment
	ESRS 2 SBM-2, pages 39-40	People and environment
	ESRS 2 IRO-1, pages 41-43	People and environment
	ESRS 2 MDR-P: E1-2, page 51 E2-1, page 57 E3-1, page 59 E4-2, page 62 E5-1, page 64	Environment
	ESRS 2 MDR- P: S1-1, pages 75; 79 S2-1, pages 81-82 S4-1, page 84	People
	S1-2, pages 75-76 S2-2, page 82 S4-2, page 84	People

Core elements of Due Diligence	Pages in the sustainability statement	Does the disclosure relate to people and/or the environment?
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1, pages 41-43	People and environment
	ESRS 2 SBM-3, pages 44-48	People and environment
	ESRS 2 SBM-3-E1, page 50 ESRS 2 SBM-3-E2, page 56 ESRS 2 SBM-3-E3, page 58 ESRS 2 SBM-3-E4, page 61 ESRS 2 SBM-3-E5, pages 63-64	Environment
	ESRS 2 SBM-3-S1, pages 74-75; 79 ESRS 2 SBM-3-S2, page 81 ESRS 2 SBM-3-S4, pages 83-84	People
	ESRS 2 SBM-3-G1, pages 87-88	People and environment
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A: E1-3, page 51 E2-2, page 57 E3-2, page 59 E4-3, page 62 E5-2, page 64	Environment
	ESRS 2 MDR-A: S1-4, pages 76; 80 S2-4, page 82 S4-4, page 85	People
	E1-1, page 49 E4-1, page 61	Environment
	G1-1, pages 87-88 G1-3, pages 89-90	People and environment

Core elements of Due Diligence	Pages in the sustainability statement	Does the disclosure relate to people and/or the environment?
e) Tracking effectiveness of these efforts and communi-cating	ESRS 2 MDR-M: E1-5, page 55 E1-6, pages 53-54 E2-5, page 57 E3-4, page 60 E5-4, page 65 E5-5, pages 65-66	Environment
	ESRS 2 MDR-M: S1-13, page 78 S1-14, page 80 S1-16, page 78 S1-17, pages 80; 90	People
	G1-4, pages 89-90	People and environment
	E1-4, page 52 E2-3, page 57 E3-3, page 60 E4-4, page 62 E5-3, page 65	Environment
	S1-5, page 76 S2-5, page 82 S4-5, page 85	People

Content index of ESRS disclosure requirements

The table below presents the disclosure requirements from ESRS 2 and the nine topical standards relevant to ALK and indicates where to find information related to each specific requirement.

ESRS 2-IRO2
Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

List of material Disclosure Requirements		Page number
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	80
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	76
S1-6	Characteristics of the undertaking's employees	77; 116
S1-13	Training and skills development metrics	78
S1-14	Health and safety metrics	80
S1-16	Remuneration metrics (pay gap and total remuneration)	78
S1-17	Incidents, complaints and severe human rights impacts	80; 90
S2	**Workers in the value chain**	
ESRS 2 SBM-2-S2	Interests and views of stakeholders	39-40
ESRS 2 SBM-3-S2	Material impacts, risks and opportunities and their interaction with strategy and business model	81
S2-1	Policies related to value chain workers	81-82
S2-2	Processes for engaging with value chain workers about impacts	82
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	82; 88-89
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	82; 90
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	82

List of material Disclosure Requirements		Page number
S4	**Consumers and End-users**	
ESRS 2 SBM-2-S4	Interests and views of stakeholders	39-40
ESRS 2 SBM-3-S4	Material impacts, risks and opportunities and their interaction with strategy and business model	83-84
S4-1	Policies related to consumers and end-users	84; 88-89
S4-2	Processes for engaging with consumers and end-users about impacts	39-40; 84
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	85; 88-89
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	10-11; 16-17; 85
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	85
G1	**Business Conduct**	
ESRS 2 SBM-3-G1	Material impacts, risks and opportunities and their interaction with strategy and business model	87-88
ESRS 2 GOV-1-G1	The role of the administrative, management and supervisory bodies	29
ESRS 2 IRO-1-G1	Description of the processes to identify and assess material impacts, risks and opportunities	42
G1-1	Business conduct policies and corporate culture	81-82; 87-88; 90
G1-3	Prevention and detection of corruption and bribery	89-90
G1-4	Incidents of corruption or bribery	89-90

List of datapoints that derive from other EU legislation

The table below includes all the ESRS datapoints that derive from other EU legislation and indicates where the information can be found if deemed material.

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	28-29
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	28-29
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	94-95
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	49
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	49
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	51-52
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	55
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	55
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	55
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	54
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	54

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) **ESRS E1-9** Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in	
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material	59
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Material	59
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Material	60
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Material	60
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	61
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	61
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	61
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 11 Table #2 of Annex 1				Material	62
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	62
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	62
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	65-66
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Material	65-66
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	75
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II			Material	75
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	75
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	79
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	88-89
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	80
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Phase-in	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	78
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	78
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	90
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	90

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	81
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	81-82
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	81-82
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	81-82
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	81-82
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	82; 90
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page number
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	84
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	84
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material	
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not material	
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	89
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	89

Consolidated financial statements

Notes

Income statement

Amounts in DKKm	Note	2024	2023
Revenue	2.1	5,537	4,824
Cost of sales	2.2-2.4, 3.4, 5.1	1,985	1,789
Gross profit		**3,552**	**3,035**
Research and development expenses	2.2-2.4, 5.1	531	618
Sales and marketing expenses	2.2-2.4, 5.1	1,564	1,422
Administrative expenses	2.2-2.4, 5.1	369	331
Other operating income		3	2
Operating profit (EBIT)		**1,091**	**666**
Financial income	2.6	61	12
Financial expenses	2.6	95	31
Profit before tax (EBT)		**1,057**	**647**
Tax on profit	2.7	242	161
Net profit		**815**	**486**
Earnings per share (EPS)	4.1		
Earnings per share (EPS)		3.68	2.20
Earnings per share (DEPS), diluted		3.68	2.20

Statement of comprehensive income

Amounts in DKKm	Note	2024	2023
Net profit		**815**	**486**
Items that will subsequently not be reclassified to the income statement:			
Actuarial gains/(losses) on pension plans	3.7	3	(1)
Tax related to actuarial gains/(losses) on pension plans	2.7	(1)	1
		2	**-**
Items that will subsequently be reclassified to the income statement, when specific conditions are met:			
Foreign currency translation adjustment of foreign affiliates		83	(38)
		83	**(38)**
Other comprehensive income		**85**	**(38)**
Total comprehensive income		**900**	**448**

Cash flow statement

Amounts in DKKm	Note	2024	2023
Net profit		**815**	**486**
Adjustments			
Adjustments for non-cash items	5.2	640	458
Changes in working capital	5.2	(151)	(203)
Financial income, received		17	9
Financial expenses, paid		(13)	(23)
Income tax, paid (net)		(95)	(60)
Cash flow from operating activities		**1,213**	**667**
Acquisitions of companies and operations	5.3	(115)	-
Purchase of intangible assets	3.1	(1,043)	(69)
Purchase of tangible assets	3.2-3.3	(260)	(310)
Investments in other financial assets		1	4
Cash flow from investing activities		**(1,417)**	**(375)**
Free cash flow		**(204)**	**292**
Sale of treasury shares		6	-
Exercised share options, paid		(38)	(20)
Proceeds from borrowings	5.2	671	671
Repayment of borrowings	5.2	(279)	(636)
Repayment of lease liabilities	5.2	(50)	(46)
Cash flow from financing activities		**310**	**(31)**
Net cash flow		**106**	**261**
Cash beginning of year		474	221
Unrealised gain/(loss) on cash held in foreign currency and financial assets carried as cash		9	(8)
Net cash flow		106	261
Cash year end		**589**	**474**

The consolidated statement of cash flow is compiled using the indirect method. As a result, the individual figures in the cash flow statement cannot be reconciled directly to the income statement and the balance sheet.

Balance sheet – Assets

Amounts in DKKm	Note	31 Dec. 2024	31 Dec. 2023
Non-current assets			
Intangible assets			
Goodwill	3.1	463	459
Other intangible assets	3.1	1,329	212
		1,792	**671**
Tangible assets			
Land and buildings	3.2-3.3	1,137	994
Plant and machinery	3.2	603	511
Other fixtures and equipment	3.2-3.3	79	80
Property, plant and equipment in progress	3.2	528	596
		2,347	**2,181**
Other non-current assets			
Prepayments		26	49
Deferred tax assets	2.7	642	659
Income tax receivables		145	198
		813	**906**
Total non-current assets		**4,952**	**3,758**
Current assets			
Inventories	3.4	1,716	1,423
Trade receivables	3.5	812	816
Income tax receivables		10	34
Other receivables		49	74
Prepayments	3.6	118	147
Cash		589	474
Total current assets		**3,294**	**2,968**
Total assets		**8,246**	**6,726**

Balance sheet – Equity and liabilities

Amounts in DKKm	Note	31 Dec. 2024	31 Dec. 2023
Equity			
Share capital	4.1	111	111
Currency translation adjustment		65	(18)
Retained earnings		5,197	4,354
Total equity		**5,373**	**4,447**
Liabilities			
Non-current liabilities			
Mortgage debt	4.2	166	184
Pensions and similar liabilities	3.7	251	245
Lease liabilities	4.2	285	255
Deferred income		45	46
Provisions	3.8	1	1
Deferred tax liabilities	2.7	3	4
Income tax payables		173	230
		924	**965**
Current liabilities			
Mortgage debt	4.2	19	19
Bank loans	4.2	671	261
Trade payables		165	128
Lease liabilities	4.2	46	46
Deferred income		4	4
Provisions	3.8	38	2
Income tax payables		124	17
Other payables	3.9	882	837
		1,949	**1,314**
Total liabilities		**2,873**	**2,279**
Total equity and liabilities		**8,246**	**6,726**

Statement of changes in equity

Amounts in DKKm	Share capital	Currency translation adjust-ment	Retained earnings	Total equity
2024				
Equity at 1 January	**111**	**(18)**	**4,354**	**4,447**
Net profit	-	-	815	815
Other comprehensive income/(loss)	-	83	2	85
Total comprehensive income	**-**	**83**	**817**	**900**
Share-based payments	-	-	51	51
Share options settled	-	-	(38)	(38)
Sale of treasury shares	-	-	6	6
Tax related to items recognised directly in equity	-	-	8	8
Other adjustments	-	-	(1)	(1)
Other transactions	**-**	**-**	**26**	**26**
Equity at 31 December	**111**	**65**	**5,197**	**5,373**

Amounts in DKKm	Share capital	Currency translation adjust-ment	Retained earnings	Total equity
2023				
Equity at 1 January	**111**	**20**	**3,857**	**3,988**
Net profit	-	-	486	486
Other comprehensive income/(loss)	-	(38)	-	(38)
Total comprehensive income	**-**	**(38)**	**486**	**448**
Share-based payments	-	-	30	30
Share options settled	-	-	(20)	(20)
Sale of treasury shares	-	-	-	-
Tax related to items recognised directly in equity	-	-	1	1
Other transactions	**-**	**-**	**11**	**11**
Equity at 31 December	**111**	**(18)**	**4,354**	**4,447**

Section 1 – Basis of reporting

1.1 Accounting policy information

The consolidated financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with the IFRS accounting standards as adopted by the EU and in accordance with Danish disclosure requirements for listed companies. Additional Danish disclosure requirements for annual reports are imposed by the Statutory Order on Adoption of IFRS issued under the Danish Financial Statements Act.

The consolidated financial statements are presented in Danish kroner (DKK), which is considered the primary currency of the ALK Group's activities and the functional currency of the parent company.

The consolidated financial statements are presented on a historical cost basis, apart from certain financial instruments, which are measured at fair value.

The general accounting policies described below apply to the consolidated financial statements as a whole. To enhance understanding, specific accounting policies are described in the notes to which they relate. The description of accounting policies in the notes form part of the overall description of accounting policies.

The accounting policies are unchanged from last year except for the below mentioned impacts of new standards.

New standards effective from 1 January 2024
The ALK Group has implemented all new and amended standards and IFRIC interpretations which are effective for the financial year 2024. This has not resulted in any changes to the accounting policies of the ALK Group.

New standards effective on or after 1 January 2025
A number of IFRS standards, amended standards and IFRIC interpretations, which are effective on or after 1 January 2025, have not been implemented. Based on a preliminary assessment it is estimated that these standards and interpretations will have no material impact on the consolidated financial statements apart from IFRS18.

IFRS18 Presentation and Disclosure in Financial Statements is effective for annual period beginning on or after 1 January 2027. The ALK Group is currently assessing the implications of applying the new standard on the consolidated financial statements. Although the adoption of IFRS 18 will have no impact on the net profit, the ALK Group expects that the new grouping of items of income and expenses in the income statement will impact how operating profit is calculated and reported.

Basis of consolidation
The consolidated financial statements comprise the financial statements of ALK-Abelló A/S (the parent company) and companies (subsidiaries) controlled by the parent company.

The consolidated financial statements are prepared as a consolidation of items of a uniform nature. The financial statements used for consolidation are prepared in accordance with the ALK Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group balances and dividends, and gains and losses arising on intra-group transactions are eliminated.

Foreign currency translation
On initial recognition, transactions denominated in currencies other than DKK are translated at average exchange rates, which are an approximation of the exchange rates at the transaction date. Receivables and debt and other monetary items not settled at the balance sheet date are translated at the closing rate.

Exchange rate differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment or the balance sheet date, respectively, are recognised in the income statement under financial items. Tangible assets and intangible assets, inventories and other nonmonetary assets acquired in foreign currency and measured based on historical cost are translated at the exchange rates at the transaction date.

On recognition in the consolidated financial statements of subsidiaries whose financial statements are presented in a functional currency other than DKK, the income statements are translated at average exchange rates for the respective months, unless these deviate materially from the actual exchange rates at the transaction dates. In that case, the actual exchange rates are used. Balance sheet items are translated at the exchange rates at the balance sheet date. Goodwill is considered to belong to the acquired company in question and is translated at the exchange rate at the balance sheet date.

Exchange rate differences arising on the translation of foreign subsidiaries' opening balance sheet items to the exchange rates at the balance sheet date and on the translation of the income statements from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income.

Foreign exchange rate adjustment of receivables or debt to subsidiaries which are considered part of the parent company's overall investment in the subsidiary in question are also recognised in other comprehensive income in the consolidated financial statements.

Definitions and ratios
The key ratios have been calculated in accordance with generally accepted financial ratios applied by financial analysts. Definitions are shown on page 145.

Section 1 – Basis of reporting

1.1 Accounting policy information – continued

Reporting under the ESEF regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF) (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU regulated markets.

The ESEF Regulation sets out the following main requirements: (1) Issuers shall draw up and disclose their annual financial reports using the XHTML format; and (2) issuers that draw-up their primary consolidated financial statements in accordance with IFRS as endorsed by the EU shall tag those consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) including block-tag of the notes to the consolidated financial statements.

The combination of the XHTML format with the iXBRL tags makes the annual financial reports both human-readable and machine-readable, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

iXBRL tags shall comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

As part of the tagging process financial statement line items are marked up to elements in the ESEF taxonomy. If a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created. Extensions have to be anchored to elements in the ESEF taxonomy, except for elements corresponding to subtotals.

The annual report 2024 for the ALK Group submitted to the Danish Financial Supervisory Authority and Nasdaq consists of the XHTML document together with some technical files all included in a ZIP file named alk-2024-12-31-en.zip.

Key definitions
XHTML (eXtensible HyperText Markup Language) is a text-based markup language used to structure and mark up content such as text, images, and hyperlinks in documents that are displayed as Web pages in an updated standard Web browser like Chrome or Edge.

iXBRL tags (or Inline XBRL tags) are hidden meta-information embedded in the source code of an XHTML document in accordance with the Inline XBRL 1.1 specification, which enables the conversion of XHTML-formatted information into a machine-readable XBRL data record by appropriate software.

The tagging process is a process where iXBRL tags are applied to financial statement line items, notes etc.

Taxonomy is an electronic dictionary of business reporting elements used to report business data. A taxonomy element is an element defined in a taxonomy that is used for the machine-readable labeling of information in an XBRL data record.

ESEF data

Name of reporting entity or other means of identification
ALK-Abelló A/S

Domicile of entity
Denmark

Legal form of entity
A/S

Country of incorporation
Denmark

Address of entity's registered office
Bøge Allé 6-8, DK-2970 Hørsholm

Principal place of business
Global

Description of nature of entity's operations and principal activities
ALK is a global allergy solutions company

Name of parent entity
Lundbeckfond Invest A/S

Name of ultimate parent of group
Lundbeck Foundation

Section 1 – Basis of reporting

1.2 Significant accounting estimates and judgements

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as many financial statement items cannot be reliably measured, but must be estimated. Such estimates comprise judgements made on the basis of the most recent information available at the reporting date.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to supplementary information, additional experience or subsequent events. Similarly, the value of assets and liabilities often depends on future events that are somewhat uncertain. In that connection, it is necessary to set out e.g. a course of events that reflects Management's assessment of the most probable course of events.

Management considers those listed below as the key accounting estimates and related judgements used in the preparation of the consolidated financial statements.

A description of significant accounting estimates and judgements as well as assumptions applied is included in the relevant notes.

Note	Key accounting estimates and judgements	Estimate/ judgement
2.1 Revenue and segment information	Sales deductions comprising rebates, discounts, and mandated price adjustments	Estimate
2.2 Expenses	Recognition of costs for outsourced clinical trials	Estimate
2.7 Income tax and deferred tax	Provision for uncertain tax positions and measurement of deferred tax assets	Estimate/ judgement
3.1 Intangible assets	Recoverable amount of goodwill and acquired intangible rights	Estimate/ judgement
3.4 Inventories	Valuation of inventories and capitalisation of indirect production costs	Estimate

Section 2 – Results for the year

2.1 Revenue and segment information

	Europe		North America		International markets		Total	
Amounts in DKKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
SLIT-tablets	2,080	1,592	209	184	562	520	2,851	2,296
SCIT/SLIT-drops	1,568	1,424	361	362	123	153	2,052	1,939
Other products and services	266	200	336	362	32	27	634	589
Total revenue	**3,914**	**3,216**	**906**	**908**	**717**	**700**	**5,537**	**4,824**
Sale of goods							5,426	4,723
Royalties							108	99
Services							3	2
Total revenue							**5,537**	**4,824**

Of total revenue, DKK 141 million (2023: DKK 104 million) is derived from Denmark. The ALK Group had more than 10% of its total revenue from Germany 25% (2023: 22%), France 17% (2023: 17%), and the USA 14% (2023: 16%) based on the location of the customers.

The ALK Group's non-current tangible and intangible assets are distributed among the following geographical markets:

	Europe		North America		International markets		Total	
Amounts in DKKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Non-current tangible and intangible assets	3,066	1,953	1,069	895	4	4	4,139	2,852

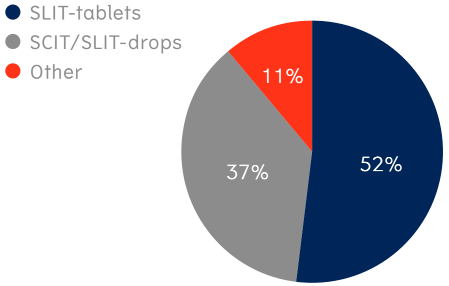
Of total non-current tangible and intangible assets, DKK 2,583 million relates to assets in Denmark (2023: DKK 1,536 million). The USA accounts for 26% (2023: 31%) of total non-current tangible and intangible assets.

§ Accounting policies

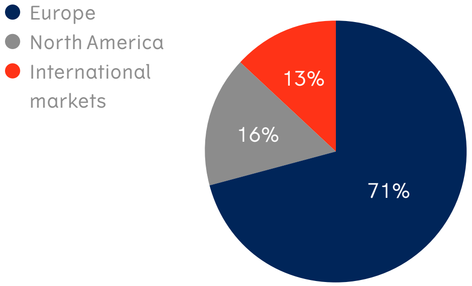
Segment information
Based on the internal reporting used by the Board of Management to assess the results of operations and allocation of resources, the ALK Group has identified one operating segment 'Allergy treatment', which is in accordance with the way the activities are organised and managed. Even though revenue within the operating segment "Allergy treatment" can be divided by product lines and market, the main part of the activities within production, research and development, sales and marketing and administration are shared by the ALK Group as a whole. The disclosures in the financial statements include a breakdown of revenue by product line and a geographical breakdown of revenue and non-current assets. The geographical information on markets is based on customer and asset location.

Revenue
The primary performance obligation of the ALK Group is the sale and delivery of own-manufactured goods and goods for resale for allergy treatment. Revenue from the sale of goods is recognised in the income statement upon the control of the goods being transferred to the customer, i.e. when goods are delivered. Revenue is recognised by the ALK Group at a point in time.

Revenue by product line 2024



Revenue by geography 2024



Section 2 – Results for the year

2.1 Revenue and segment information - continued

The ALK Group's products are sold primarily to distributors of pharmaceuticals, pharmacies, and hospitals. The payment conditions for the customers vary, and are based on industry practice in the relevant markets. As a result of special trading conditions in specific markets, the credit period may be up to 180 days.

Revenue is measured as the fair value of the consideration received or receivable.

Revenue is measured exclusive of VAT, taxes etc. charged on behalf of third parties and less any commissions and discounts in connection with sales.

Furthermore, revenue includes licence income and royalties from outlicensed products as well as up-front payments, milestone payments and services in connection with partnerships. These revenues are recognised in the income statement in accordance with the agreements and when the ALK Group obtains the right to the payments, which is when services have been delivered to the customer or at the point in time the subsequent sales occur.

When combined contracts are entered, the elements of the contracts are identified and assessed separately for accounting purposes.

Significant accounting estimates and judgements

Sales deductions comprising rebates, discounts, and mandated price adjustments are estimated and accrued for at the time when the related sales are recorded. Management is required to make significant estimates in the revenue recognition relating to the accruals for sales deductions as not all conditions are known at the time of sale and as revenue can only be recognised to the extent that it is probable that a significant reversal of the recognised revenue will not occur.

Management's estimate of accruals for sales deductions is based on a calculation taking into consideration among other factors, existing contractual obligations, the extent of predictability, historical experience with similar transactions and whether the consideration is highly susceptible to factors outside ALK's influence.

ALK considers the accruals established for sales deductions to be reasonable and appropriate based on currently available information. The accruals for sales deductions are adjusted regularly as new or more detailed information becomes available and when actual amounts are processed.

At 31 December 2024, DKK 208 million is recognised as accrued rebates, discounts, and mandated price adjustments (2023: DKK 241 million), cf. note 3.9.

2.2 Expenses

§ Accounting policies

Cost of sales
The item comprises cost of sales and production costs incurred in generating the revenue for the year. Costs for raw materials, consumables, goods for resale, production staff and a proportion of production overheads, including maintenance and depreciation, amortisation and impairment of tangible assets and intangible assets used in production as well as operation, administration and management of factories are recognised in cost of sales and production costs. In addition, the costs and write-down to net realisable value of obsolete and slow-moving goods are recognised.

Research and development expenses
The item comprises research and development expenses, including expenses incurred for wages and salaries, amortisation, impairment of capitalised development projects in progress, and other overheads as well as costs relating to research partnerships. Research expenses are recognised in the income statement when incurred. Due to the long development periods and significant uncertainties in relation to the development of new products, including risks regarding clinical trials and regulatory approvals, it is the assessment that most of the ALK Group's development expenses do not meet the capitalisation criteria in IAS 38, Intangible Assets. Consequently, development expenses are generally recognised in the income statement when incurred. Development expenses relating to individual minor development projects running for short-term periods and subject to limited risk are capitalised under other intangible assets.

Sales and marketing expenses
The item comprises selling and marketing expenses, including salaries and expenses relating to sales staff, advertising and exhibitions, depreciation, amortisation and impairment losses on tangible assets and intangible assets used in the sales and marketing process as well as other indirect costs.

Administrative expenses
The item comprises expenses incurred for management and administration, including expenses for administrative staff and management, office expenses and depreciation, amortisation and impairment losses on tangible assets and intangible assets used in administration.

Section 2 – Results for the year

2.2 Expenses - continued

Significant accounting estimates and judgements

Clinical trials, which are outsourced to Clinical Research Organisations ("CROs"), take several years to complete. As such, Management is required to make estimates based on the progress and costs incurred to-date for the ongoing trials. Estimates are made in determining the amount of costs to be expensed during the period or recognised as prepayments or accruals on the balance sheet.

At 31 December 2024, DKK 24 million is recognised as accrued expenses (2023: DKK 26 million) and DKK 20 million as prepayments in the balance sheet (2023: DKK 21 million). In 2024, external expenses for clinical trials of DKK 56 million have been recognised in the income statement (2023: DKK 150 million).

2.3 Depreciation, amortisation and impairment

Amounts in DKKm	2024	2023
Depreciation, amortisation and impairment allocation:		
Cost of sales	185	163
Research and development expenses	11	11
Sales and marketing expenses	19	20
Administrative expenses	57	51
Total	**272**	**245**

Impairment amounts to DKK 6 million (2023: DKK 1 million), of which DKK 4 million relates to impairment of tangible assets (2023: DKK 1 million) and DKK 2 million relates to impairment of intangible assets (2023: DKK 0).

The impairment of tangible assets is related to impairment of production equipment of DKK 3 million and administrative equipment of DKK 1 million with no recoverable amount after impairment (2023: DKK 1 million). The impairment is recognised as cost of sales and administrative expenses.

The impairment of intangible assets is related to impairment of production software of DKK 1 million and administrative software of DKK 1 million with no recoverable amount after impairment. The impairment is recognised as cost of sales and administrative expenses.

2.4 Staff costs

Amounts in DKKm	2024	2023
Wages and salaries	1,846	1,708
Pensions, cf. note 3.7	151	145
Other social security costs, etc.	250	223
Share-based payments, cf. note 5.1	48	30
Total	**2,295**	**2,106**
Staff costs are allocated as follows:		
Cost of sales	885	799
Research and development expenses	331	308
Sales and marketing expenses	786	696
Administrative expenses	233	222
Included in the cost of assets	60	81
Total	**2,295**	**2,106**
Remuneration to Management:		
Remuneration to Board of Management:[1]		
Salaries and other benefits	18	19
Short-term incentive (cash bonus)	13	9
Pensions	3	2
Termination benefits	-	23
Long-term incentives (share-based) based on expensed accounting value, cf. note 5.1[2]	13	5
Total remuneration to Board of Management	**47**	**58**
Remuneration to Board of Directors	6	6
Total remuneration to Board of Management and Board of Directors	**53**	**64**
Employees		
Average number (FTE)	2,789	2,752
Number year end (FTE)	2,753	2,824

[1] In 2023, total remuneration to Board of Management included sign-on payments for the new members including a cash bonus of DKK 0.75 million and three share-based payment plans with a total grant value of DKK 23 million.
[2] The expensed costs include DKK 2 million (2023: DKK 1 million) related to adjustment in the share options and performance share units expected to vest.

Section 2 – Results for the year

2.5 Fees to the ALK Group's auditors

Amounts in DKKm	2024	2023
Fees to the auditors appointed at the annual general meeting:		
Audit services	4	4
Other opinions	2	-
Tax advisory services	1	1
Other services	-	1
Total	**7**	**6**

The fee for non-audit services provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (Denmark) of DKK 3 million (2023: DKK 2 million) relates to limited assurance of sustainability statement, tax advisory, and other general financial accounting matters.

2.6 Financial income and expenses

Amounts in DKKm	2024	2023
Interest income[1]	61	12
Financial income from financial assets measured at amortised cost	61	12
Currency gains, net	-	-
Total financial income	**61**	**12**
Interest expenses[1]	62	22
Financial expenses from financial liabilities measured at amortised cost	62	22
Interest expenses on uncertain tax positions, net	3	-
Currency losses, net	30	9
Total financial expenses	**95**	**31**

[1] In 2024, interest income and interest expenses include interest related to the resolved tax audit in Germany. Further, interest expenses include interest related to leasing of DKK 9 million (2023: DKK 7 million).

§ Accounting policies

Financial items comprise interest receivable and interest payable, bank fees, the interest element of lease payments, realised and unrealised gains and losses on securities, cash, liabilities and foreign currency transactions, mortgage amortisation premium/allowance etc. and provisions for uncertain tax position.

Interest expenses and income related to uncertain tax position are recognised on the balance sheet as tax liabilities and tax assets respectively upon the receipt of ruling from the tax authorities and correspondingly reflected in the income statement as financial items net.

Interest income and expenses are accrued based on the principal and the effective rate of interest. The effective rate of interest is the discount rate to be used on discounting expected future payments in relation to the financial asset or the financial liability so that their present value corresponds to the carrying amount of the asset or liability, respectively.

Section 2 – Results for the year

2.7 Income tax and deferred tax

Amounts in DKKm	2024	2023
Tax on profit		
Current income tax	215	84
Adjustment of deferred tax	25	74
Prior years adjustments, income tax	4	10
Prior years adjustments, deferred tax	(2)	(7)
Tax on profit for the year	**242**	**161**
Profit before tax	1,057	647
Income tax, tax rate of 22% (2023: 22%)	233	142
Effect of deviation of foreign subsidiaries' tax rate relative to Danish tax rate	(10)	24
Permanent differences	3	(5)
Other taxes and adjustments	14	(7)
Change in valuation of net tax assets	-	4
Prior years adjustments, income tax	4	10
Prior years adjustments, deferred tax	(2)	(7)
Tax on profit for the year	**242**	**161**

Tax related to equity comprises an income of DKK 8 million (2023: income of DKK 1 million) and other comprehensive income comprises an expense of DKK 1 million (2023: income of DKK 1 million).

Pillar Two
The ALK Group is within the scope of OECD's global minimum tax (Pillar Two) due to being included in a joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S). As the Lundbeck Foundation Group has a revenue above EUR 750 million, the ALK Group is eligible for Pillar Two. Pillar Two legislation was enacted in Denmark in 2023 and effective from 1 January 2024. The ALK Group applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the ALK Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum tax rate. ALK has applied Safe Harbour provisions and successfully met the Substance Test criteria. These results confirm that ALK's effective tax rate complies with the minimum requirements without further adjustments. Certain estimations are subject to change with additional OECD guidance.

Section 2 – Results for the year

2.7 Income tax and deferred tax – continued

Amounts in DKKm	Intangible assets	Tangible assets	Current and other assets	Liabilities	Tax losses carried forward	Total
2024						
Deferred tax						
Carrying amount beginning of year	(27)	(120)	279	124	399	655
Adjustment to prior years' deferred tax	-	(7)	2	7	(2)	-
Adjustment of receivables from group companies	-	-	-	-	2	2
Currency adjustments	-	(2)	-	2	-	-
Adjustment of deferred tax due to coming year change of tax rates	-	1	(1)	1	-	1
Recognised in the income statement, net	(221)	(20)	274	24	(83)	(26)
Recognised in other comprehensive income, net	-	-	-	(1)	-	(1)
Recognised in equity, net (share-based payments)	-	-	3	-	5	8
Carrying amount year end	**(248)**	**(148)**	**557**	**157**	**321**	**639**
2023						
Deferred tax						
Carrying amount beginning of year	(24)	(107)	370	106	367	712
Adjustment to prior years' deferred tax	-	1	(2)	1	7	7
Adjustment of receivables from group companies	-	-	-	-	7	7
Currency adjustments	-	2	-	(1)	-	1
Adjustment of deferred tax due to coming year change of tax rates	-	1	(1)	-	(1)	(1)
Recognised in the income statement, net	(3)	(17)	(86)	21	16	(69)
Change in valuation of net tax assets	-	-	-	(4)	-	(4)
Recognised in other comprehensive income, net	-	-	-	1	-	1
Recognised in equity, net (share-based payments)	-	-	(2)	-	3	1
Carrying amount year end	**(27)**	**(120)**	**279**	**124**	**399**	**655**

Deferred tax consists of deferred tax assets of DKK 642 million (2023: DKK 659 million) and deferred tax liabilities of DKK 3 million (2023: DKK 4 million). The ALK Group recognises deferred tax assets including the value of tax losses if it is probable that it can be utilised against future taxable income within a forseeable future.

Section 2 – Results for the year

2.7 Income tax and deferred tax – continued

§ Accounting policies

Tax on the profit for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the balance sheet as the expected tax on the taxable income for the year, adjusted for tax paid on account.

The current tax charge for the year is calculated based on the tax rates and rules enacted at the balance sheet date.

Uncertain tax position is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority (and a future inflow of funds from a tax authority). The uncertain tax position is measured at the best estimate of the amount expected to become payable (and receivable).

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of a transaction, apart from business combinations, and where the temporary difference existing at the date of initial recognition affects neither profit/loss for the year nor taxable income.

Deferred tax is calculated based on the planned use of each asset and settlement of each liability, respectively. Deferred tax is measured using the tax rates and tax rules that, based on legislation enacted or in reality enacted at the balance sheet date, are expected to apply in the respective countries when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changed tax rates or rules are recognised in the income statement, in other comprehensive income or in equity, depending on where the deferred tax was originally recognised. Deferred tax related to equity transactions is recognised in equity.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either through a set-off against deferred tax liabilities or as net assets to be offset against future positive taxable income. Deferred tax assets including the tax value of tax losses are recognised if it is probable that it can be utilised against future taxable income within a foreseeable future. This includes an assessment of the possibilities to utilise tax losses in the joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S).

At each balance sheet date, it is reassessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

The parent company is included in a joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S) and its Danish subsidiaries. The tax charge for the year is allocated among the jointly taxed companies in proportion to the taxable incomes of individual companies, taking into account taxes paid.

Significant accounting estimates and judgements

Management is required to make an estimate in the recognition of deferred tax assets. This assessment includes estimates of future taxable income in ALK and other members of the joint Danish taxation scheme with the Lundbeck Foundation.

At 31 December 2024, the value of the total net deferred tax asset is DKK 639 million (2023: DKK 655 million). It includes a net deferred tax asset in Denmark related to tax losses carried forward of DKK 301 million (2023: DKK 369 million).

Complying with tax rules, when conducting business globally, can be complex as the interpretation of legislation and case law may change over time or may not always be clear. Management's judgements are applied to assess the possible effect of exposures and the possible outcome of disputes or interpretational uncertainties when transfer pricing disputes with local tax authorities may occur. Dialogue with local tax authorities, tax advisors, business plans and knowledge of the business are key parameters for Management to estimate the tax assets and liabilities.

At 31 December 2024, the ALK Group recognises uncertain tax position as part of non-current tax. The actual outcome may deviate and depends on the result of litigation and settlements with the relevant local tax authorities.

Section 3 – Operating assets and liabilities

3.1 Intangible assets

Amounts in DKKm	Goodwill	Software	Patents, trademarks and rights	Other intangible assets[1]	Total
2024					
Cost beginning of year	481	479	204	304	1,468
Currency adjustments	4	1	11	-	16
Additions	-	8	-	1,035	1,043
Acquisition of companies and operations, cf. note 5.3	-	-	118	-	118
Disposals	-	(13)	(33)	-	(46)
Transfer to/from other groups	-	25	-	(25)	-
Cost year end	**485**	**500**	**300**	**1,314**	**2,599**
Amortisation and impairment beginning of year	22	378	203	194	797
Currency adjustments	-	1	5	-	6
Amortisation for the year	-	32	12	4	48
Disposals during the year	-	(13)	(33)	-	(46)
Impairment during the year, cf note 2.3	-	2	-	-	2
Amortisation and impairment year end	**22**	**400**	**187**	**198**	**807**
Carrying amount year end	**463**	**100**	**113**	**1,116**	**1,792**

[1] Other intangible assets includes intangible assets in progress, and individual development projects running for short-term periods. In 2024, ALK has entered a Collaboration, License and Distribution Agreement with ARS Pharmaceuticals Operations Inc. where the asset of DKK 994 million is not ready for use due to pending regulatory and other approvals.

Amounts in DKKm	Goodwill	Software	Patents, trademarks and rights	Other intangible assets[1]	Total
2023					
Cost beginning of year	482	459	207	263	1,411
Currency adjustments	(1)	-	(3)	1	(3)
Additions	-	12	-	57	69
Disposals	-	(9)	-	-	(9)
Transfer to/from other groups	-	17	-	(17)	-
Cost year end	**481**	**479**	**204**	**304**	**1,468**
Amortisation and impairment beginning of year	22	357	202	188	769
Currency adjustments	-	-	(3)	2	(1)
Amortisation for the year	-	30	4	4	38
Disposals during the year	-	(9)	-	-	(9)
Amortisation and impairment year end	**22**	**378**	**203**	**194**	**797**
Carrying amount year end	**459**	**101**	**1**	**110**	**671**

[1] Other intangible assets includes intangible assets in progress and individual development projects running for short-term periods.

Section 3 – Operating assets and liabilities

3.1 Intangible assets – continued

Goodwill
Goodwill is related to acquisition of companies in previous years and has been subject to an impairment test, which has been submitted to the Audit Committee for subsequent approval by the Board of Directors. The impairment test performed in 2024 revealed no need for impairment of goodwill.

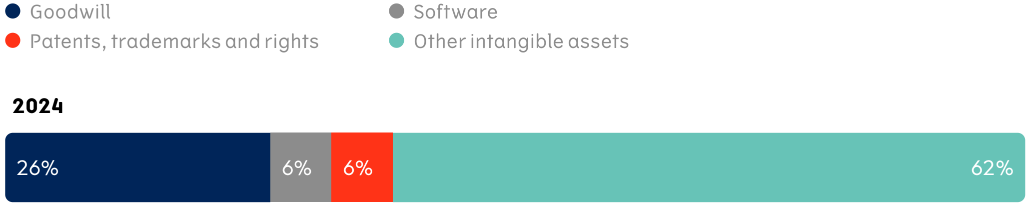
Goodwill has been tested at an aggregated level for ALK as one cash-generating unit. In the calculation of the value in use of the cash-generating unit, future free net cash flow is estimated based on Board of Directors-approved budget (2025) and financial forecasts (2026-2028) in line with the ALK Group's strategy.

The budget and the forecast plans are based on specific future business initiatives for which the risks relating to key parameters have been assessed and recognised in estimated future free cash flows. The key parameters in the calculation of the value in use are revenue, earnings, working capital, capital expenditure, discount rate and the preconditions for the terminal value. Estimates are based on historical data and expectations on future changes in the markets and products. These expectations are based on a number of assumptions including expected product launches, volume forecasts, price information and profitability of both the ALK Group's business as well as geographical expansions.

For financial years after the four year forecast period (2025-2028), the cash flows in the most recent period have been extrapolated adjusted for a growth factor of 1.5% (2023: 1.5%) during the terminal period. The discount rate used is 10.3% pre-tax and 8.0% after tax (2023: 10.9% pre-tax and 8.5% after tax).

The calculated value in use shows that future earnings and cash flows fully support the carrying amount of total net assets, including goodwill.

Intangible assets 2024



§ Accounting policies

Goodwill
On initial recognition, goodwill is measured and recognised as the excess of the cost of the acquired company over the fair value of the acquired assets, liabilities and contingent liabilities.

On recognition of goodwill, the goodwill amount is allocated to the ALK Group's cash-generating unit. The ALK Group is considered as one cash-generating unit as the individual companies and business units in the ALK Group cannot be evaluated separately due to the value-adding processes are generated across corporations and entities.

Goodwill is not amortised, but is tested for impairment at least once a year. To the extent that the carrying amount of goodwill exceeds the recoverable amount, goodwill is written down to this lower amount. Impairment of goodwill is not reversed.

Software, patents, trademarks and rights
Acquired intellectual property rights in the form of software, patents, trademarks, licenses, customer base, and similar rights are measured at cost less accumulated amortisation and impairment.

The cost of software includes costs of installation and direct salaries.

Intangible assets with determinable useful lives are amortised on a straight-line basis over the expected useful lives of the assets, typically not exceeding 15 years. If the actual useful life is shorter than either the remaining life or the contract period, the asset is amortised over this shorter useful life. The carrying amounts are reviewed at the balance sheet date to determine whether there are any indications of impairment. If such indications are identified, the recoverable amount of the asset is calculated to determine any need for an impairment write-down and, if so, the amount of the write-down.

Intangible assets with indeterminable useful lives are not amortised, but are tested for impairment at least once a year. To the extent that the carrying amount of the assets exceeds the recoverable amount, the assets are written down to this lower amount.

See note 3.2 for more information on assessment, recognition and reversal of impairment.

Other intangible assets
Other intangible assets includes individual minor development projects running for short-term periods, including software development projects, which fulfil the requirements in IFRS. The measurement and impairment follow the same rules as described above for software, patents, trademarks, and rights.

Significant accounting estimates and judgements

The assessment of whether goodwill is impaired requires a determination of the value in use of the cash-generating unit. The determination of the value in use requires estimates of the expected future cash flow of the cash-generating unit and a reasonable discount rate.

At 31 December 2024, the carrying amount of goodwill is DKK 463 million (2023: DKK 459 million).

Section 3 – Operating assets and liabilities

3.2 Property, plant and equipment

Amounts in DKKm	Land and buildings[1]	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2024					
Cost beginning of year	1,811	1,182	298	596	3,887
Currency adjustments	34	23	3	9	69
Additions	88	17	13	219	337
Acquisition of companies and operations, cf. note 5.3	2	2	-	2	6
Remeasurement of lease obligations	(1)	-	-	-	(1)
Disposals	(38)	(29)	(6)	-	(73)
Transfer to/from other groups	131	160	7	(298)	-
Cost year end	**2,027**	**1,355**	**315**	**528**	**4,225**
Depreciation and impairment beginning of year	817	671	218	-	1,706
Currency adjustments	8	13	2	-	23
Depreciation for the year	103	94	21	-	218
Disposals during the year	(38)	(29)	(6)	-	(73)
Impairment during the year, cf. note 2.3	-	3	1	-	4
Depreciation and impairment year end	**890**	**752**	**236**	**-**	**1,878**
Carrying amount year end	**1,137**	**603**	**79**	**528**	**2,347**
of which financing costs					-
Value of land and buildings subject to mortgages					228

[1] Land and buildings include buildings on land leased from Scion DTU A/S, Hørsholm in Denmark. The estimated lease terms are 9 years. See also note 3.3.

Amounts in DKKm	Land and buildings[1]	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2023					
Cost beginning of year	1,743	1,048	278	511	3,580
Currency adjustments	(19)	(10)	(1)	(6)	(36)
Additions	99	22	16	248	385
Remeasurement of lease obligations	8	-	-	-	8
Disposals	(27)	(20)	(2)	(1)	(50)
Transfer to/from other groups	7	142	7	(156)	-
Cost year end	**1,811**	**1,182**	**298**	**596**	**3,887**
Depreciation and impairment beginning of year	752	608	202	-	1,562
Currency adjustments	(4)	(8)	(1)	-	(13)
Depreciation for the year	96	91	19	-	206
Disposals during the year	(27)	(20)	(2)	(1)	(50)
Impairment during the year, cf. note 2.3	-	-	-	1	1
Depreciation and impairment year end	**817**	**671**	**218**	**-**	**1,706**
Carrying amount year end	**994**	**511**	**80**	**596**	**2,181**
of which financing costs					-
Value of land and buildings subject to mortgages					164

[1] Land and buildings include buildings on land leased from Scion DTU A/S, Hørsholm in Denmark. The estimated lease terms are 10 years. See also note 3.3.

Section 3 – Operating assets and liabilities

3.2 Property, plant and equipment – continued

§ Accounting policies

Land and buildings, plant and machinery, and other fixtures and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated. Cost comprises the purchase price and any costs directly attributable to the acquisition and any preparation costs incurred until the date when the asset is available for use.

The depreciation base is cost less the estimated residual value at the end of the useful life. The residual value is determined as the amount the company expects to obtain for the asset less costs of disposal.

The cost of an asset is divided into smaller components that are depreciated separately if such components have different useful lives.

Tangible assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	25-50 years
Plant and machinery	5-10 years
Other fixtures and equipment	5-10 years

Depreciation methods, useful lives and residual values are reassessed once a year.

Impairment

The carrying amounts of tangible assets are reviewed at the balance sheet date to determine whether there are any indications of impairment. If such indications are found, the recoverable amount of the asset is calculated to determine any need for an impairment write-down and, if so, the amount of the write-down.

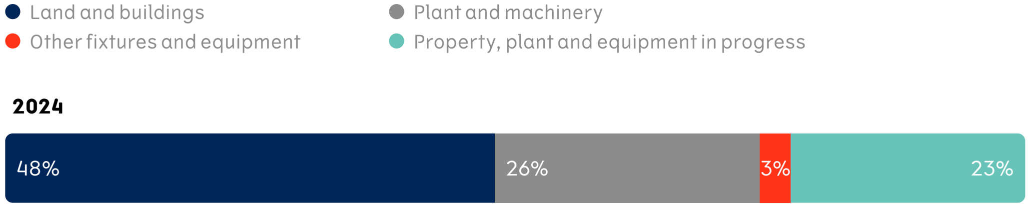
If the asset does not generate any cash flows independently of other assets, the recoverable amount is calculated for the smallest cash-generating unit that includes the asset.

The recoverable amount is calculated as the higher of the fair value less costs to sell and the value in use of the asset or the cash-generating unit, respectively. In determining the value in use, the estimated future cash flows are discounted to their present value, using a discount rate reflecting current market assessments of the time value of money as well as risks that are specific to the asset or the cash-generating unit and which have not been taken into account in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is lower than the carrying amount, the carrying amount is written down to the recoverable amount. For the cash-generating unit, the write-down is allocated in such a way that goodwill amounts are written down first, and any remaining need for write-down is allocated to other assets in the unit, although no individual assets are written down to a value lower than their fair value less costs to sell.

Impairment write-downs are recognised in the income statement. If write-downs are subsequently reversed as a result of changes in the assumptions on which the calculation of the recoverable amount is based, the carrying amount of the asset or the cash-generating unit is increased to the adjusted recoverable amount, not, however, exceeding the carrying amount that the asset or cash-generating unit would have had, had the write-down not been made.

Property, plant and equipment 2024



Section 3 – Operating assets and liabilities

3.3 Leases

Specification of right-of-use assets:

Amounts in DKKm	Land and buildings[1]	Other fixtures and equipment	Total
2024			
Cost beginning of year	452	3	455
Currency adjustments	8	-	8
Additions	77	-	77
Remeasurement of lease obligations	(1)	-	(1)
Disposals	(18)	-	(18)
Cost year end	**518**	**3**	**521**
Depreciation beginning of year	170	2	172
Currency adjustments	5	-	5
Depreciation for the year	51	-	51
Disposals	(18)	-	(18)
Depreciation year end	**208**	**2**	**210**
Carrying amount year end	**310**	**1**	**311**

[1] Land and buildings include buildings on land leased from Scion DTU A/S, Hørsholm in Denmark. The estimated lease terms are 9 years.

Specification of right-of-use assets:

Amounts in DKKm	Land and buildings[1]	Other fixtures and equipment	Total
2023			
Cost beginning of year	395	3	398
Currency adjustments	(4)	-	(4)
Additions	75	-	75
Remeasurement of lease obligations	8	-	8
Disposals	(22)	-	(22)
Cost year end	**452**	**3**	**455**
Depreciation beginning of year	147	1	148
Currency adjustments	(1)	-	(1)
Depreciation for the year	46	1	47
Disposals	(22)	-	(22)
Depreciation year end	**170**	**2**	**172**
Carrying amount year end	**282**	**1**	**283**

[1] Land and buildings include buildings on land leased from Scion DTU A/S, Hørsholm in Denmark. The estimated lease terms are 10 years.

Section 3 – Operating assets and liabilities

3.3 Leases – continued

Leases in the income statement

Amounts in DKKm	2024	2023
Expenses from short-term leases	1	4
Expenses from low-value assets (including cars)	20	19
Depreciation of right-of-use assets	51	47
Interest expenses on lease liabilities	9	7
Total	**81**	**77**

Cash outflow related to lease agreements was DKK 59 million (2023: DKK 53 million).

Lease liabilities are disclosed in note 4.2.

§ Accounting policies

Lease liabilities
Lease assets are recognised at the commencement date of the contract if it is or contains a lease. Lease assets are recognised at cost less accumulated depreciation and impairment. Cost is defined as the lease liability adjusted for any lease payments made at or before the commencement date. Lease assets are depreciated on a straight-line basis over the lease term.

Lease assets are remeasured when the lease liability is impacted by reassessment of lease terms, modifications to lease agreements, and when applying indexation or a rate.

On initial recognition, lease liabilities are measured as the present value of future payments. The lease payments contain fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

On subsequent recognition, lease liabilities are measured at amortised cost. The difference between the present value and the nominal value of lease payments is recognised in the income statement over the term of the lease as a finance charge.

If the interest rate cannot be determined in the agreement, the lease payments are discounted using the ALK Group's incremental borrowing rate adjusted for the functional currency and length of the lease term. The lease liability is remeasured if or when the future payment or lease term changes.

Short term lease expenses and low value assets are not recognised as part of lease liabilities. They are recognised in the income statement when incurred as an operating expense.

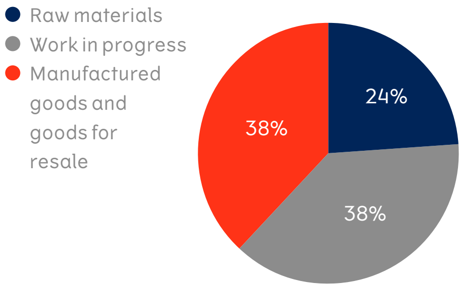
Section 3 – Operating assets and liabilities

3.4 Inventories

Amounts in DKKm	2024	2023
Raw materials	405	307
Work in progress	649	637
Manufactured goods and goods for resale	662	479
Total	**1,716**	**1,423**
Amount of write-down of inventories during the year	31	41
Amount of reversal of write-down of inventories during the year[1]	16	16
Total cost of materials included in cost of sales	657	569
Net carrying amount of inventory not expected to be sold in following year	518	447

[1] Reversal of provision for slow moving items, sold in 2024.

Inventories 2024



§ Accounting policies

Inventories are measured at cost determined under the FIFO method or net realisable value where this is lower.

Cost comprises raw materials, goods for resale, and direct payroll costs as well as fixed and variable production overheads. Variable production overheads comprise indirect materials and payroll costs and are allocated based on predetermined costs of the goods actually produced. Fixed production overheads comprise maintenance of and depreciation on the machines, factory buildings and equipment used in the manufacturing process as well as the cost of factory management and administration. Fixed production overheads are allocated based on the normal capacity of the production plant.

The net realisable value of inventories is calculated as the expected selling price less completion costs and costs incurred in making the sale.

A minor part of ALK's raw materials inventory contains biological assets from agricultural activities. Due to missing market on which a fair value can be established these products are not valuated.

Significant accounting estimates and judgements

The valuation of inventories includes Management's assessment of the saleability of the finished goods, and the quality of raw materials to be used in the production process. If the expected sales price less any completion costs and costs to execute sales (net realisable value) of inventories is lower than the carrying amount, the inventories are written down to net realisable value. When assessing salability and net realisable value, Management uses estimates for future sales and related costs.

End of 2024, the write-down of inventories to net realisable value amounted to DKK 147 million (2023: DKK 90 million).

Further, work in progress and manufactured goods and goods for resale are measured at cost including indirect production costs. The indirect production costs are measured using a standard cost method. This is reviewed regularly to ensure reliable measurement of employee costs, capacity utilisation, cost drivers and other relevant factors. When including the indirect productions costs for capitalisation, Management makes estimates about cost of production, standard cost variances, cost drivers and capacity utilisation. Changes in these parameters may have a significant impact on the gross margin and the overall valuation of work in progress and manufactured goods and goods for resale.

End of 2024, the indirect production costs capitalised under inventories amounted to DKK 554 million (2023: DKK 483 million).

Section 3 – Operating assets and liabilities

3.5 Trade receivables

	Days past due				
Amounts in DKKm	**Not due**	**<180 days**	**180-360**	**>360 days**	**Total**
2024					
Average expected credit loss rate	1%	5%	20%	33%	
Trade receivables (gross)	739	81	5	3	828
Loss allowance	10	4	1	1	16
Trade receivables (net)	**729**	**77**	**4**	**2**	**812**
Loss allowance:					
Balance beginning of year					7
Change in allowances during the year					11
Realised losses during the year					(2)
Loss allowance, year end					**16**
2023					
Average expected credit loss rate	1%	3%	0%	33%	
Trade receivables (gross)	744	74	2	3	823
Loss allowance	4	2	-	1	7
Trade receivables (net)	**740**	**72**	**2**	**2**	**816**
Loss allowance:					
Balance beginning of year					8
Change in allowances during the year					-
Realised losses during the year					(1)
Loss allowance, year end					**7**

§ Accounting policies

On initial recognition, receivables are measured at fair value, subsequently at amortised cost.

Expected credit losses are measured based on historical data adjusted by forward-looking information. Forward-looking information includes assessment of the probability of default as well as consideration of various external sources of actual and economic information that is reasonable and supportable without undue cost or effort.

ALK recognises expected credit losses that result from default events possible within the whole asset life. Risk related to trade receivables is managed in ALK locally by entities, based on an individual assessment. Loss allowance for doubtful trade receivables is also based on an individual assessment of the receivables. ALK has not implemented a global provision matrix due to different characteristics related to receivables across the ALK Group. Loss allowance are calculated based on variables, e.g. probability-weighted amount (based on historical realised losses), the time value of money, additional supportable information, including an individual assessment of each customer/customer group.

An impairment loss or reversal of prior impairment loss is recognised in the income statement.

Receivables are written down when information indicates severe financial difficulties and that there is no reasonable expectation of recovery. Financial assets written off may still be subject to enforcement activities. Any recoveries made are recognised in the income statement.

3.6 Prepayments

Amounts in DKKm	**2024**	**2023**
Clinical trials, cf. note 2.2	20	21
Royalties	25	46
Other	73	80
Total	**118**	**147**

§ Accounting policies

Prepayments are recognised as an asset and comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Section 3 – Operating assets and liabilities

3.7 Pensions and similar liabilities

The ALK Group has entered into defined contribution plans as well as defined benefit plans.

In defined contribution plans, the ALK Group is obliged to pay a certain contribution to a pension fund or the like but bears no risks regarding the future development in interest, inflation, mortality, disability rates etc. regarding the amount to be paid to the employee.

The ALK Group sponsors defined benefit plans for qualifying employees of its subsidiaries in Germany, France and Switzerland. The defined benefit plans guarantee employees a certain level of pension benefits for life. The pension is based on seniority and salary at the time of retirement. The ALK Group bears the risks regarding the future development in interest, inflation, mortality, disability rates etc. regarding the amount to be paid to the employee.

Amounts in DKKm	2024	2023
Costs related to defined contribution plans	125	119
Costs related to defined benefit plans	26	26
Total	**151**	**145**
Present value of funded pension obligations	26	24
Fair value of plan assets (100% insurance contract)	(22)	(22)
Funded pension obligations, net	**4**	**2**
Present value of unfunded pension obligations	172	171
Pension obligations	**176**	**173**
Anniversary liabilities	11	10
Other liabilities[1]	64	62
Pension obligations and similar liabilities, year end	**251**	**245**

[1] Other liabilities include liability related to the transition period for the Danish Holiday Act of DKK 62 million (2023: DKK 61 million).

Plan assets consist of assets placed in pension companies. Assets are placed in investments classified as other assets than shares, bonds and property by the pension companies, and are not measured at quoted prices.

The weighted average duration of the pension obligations is 15,78 years (2023: 16.37 years).

Amounts in DKKm	2024	2023
The principal assumptions used for the actuarial valuations		
Discount rate range of 1.1% - 3.45% (weighted average rate)	3.4%	3.4%
Expected future rate of salary increase range of 1% - 2.5% (weighted average rate)	2.4%	2.4%
Assumed life expectations on retirement age for current pensioners (years based on weighted average)[1]:		
Males	20.1	20.0
Females	23.1	23.1
Assumed life expectations on retirement age for current employees (future pensioners) (years based on weighted average)[1]:		
Males	21.2	21.1
Females	24.8	24.8
Sensitivity analysis:		
Significant actuarial assumptions for determining the defined benefit obligation		
Discount rate, effect in case of increase in range of 0.25% - 1%[2]	(22)	(22)
Discount rate, effect in case of decrease in range of 0.25% - 1%[2]	27	27
Salary, effect in case of 0.25% - 0.5% increase[2]	3	3
Salary, effect in case of 0.25% - 0.5% decrease[2]	(2)	(3)
Life expectancy, effect in case of increase by 1 year[1]	6	7
Life expectancy, effect in case of decrease by 1 year[1]	(7)	(7)
Movements in the present value of the funded defined benefit obligation in the current year		
Opening funded defined benefit obligation	24	24
Current service costs	2	2
Actuarial (gains)/losses arising from changes in financial assumptions	3	(3)
Actuarial (gains)/losses arising from experience adjustments	(1)	-
Contribution from plan participants	-	1
Benefits paid	(1)	(2)
Currency translation adjustment	(1)	2
Closing funded defined benefit obligation	**26**	**24**

[1] Based on national statistics for mortality.
[2] Based on actuarial reports with different rates.

Section 3 – Operating assets and liabilities

3.7 Pensions and similar liabilities – continued

Amounts in DKKm	2024	2023
Movements in the fair value of the plan assets in the current year		
Opening fair value of plan assets	22	21
Contribution from plan participants	2	2
Benefits paid	(1)	(2)
Currency translation adjustment	-	2
Return on plan assets	(1)	(1)
Closing fair value of plan assets (fully invested in insurance contracts)	**22**	**22**
Movements in present value of unfunded pension obligations in the current year		
Opening present value of unfunded pension obligations	171	161
Current service costs	5	4
Interest costs	6	6
Actuarial (gains)/losses from changes in financial assumptions	(2)	13
Actuarial (gains)/losses arising from experience adjustments	(2)	-
Actuarial (gains)/losses arising from demographic adjustments	(1)	(9)
Benefits paid	(5)	(4)
Closing present value of unfunded pension obligations	**172**	**171**
Amount recognised as staff expenses in the income statement		
Current service costs	6	6
Net interest expense	6	6
Total	**12**	**12**
Amount recognised in comprehensive income in respect of defined benefit plans		
Actuarial (gains)/losses	(3)	1
Total	**(3)**	**1**

The expected contribution for 2025 for the defined benefit plans is DKK 12 million (2024: DKK 12 million).

The most recent actuarial valuations of the defined benefit liability were carried out by external independent actuary agents at 31 December 2024.

§ Accounting policies

The ALK Group has entered into pension agreements and similar agreements with some of the ALK Group's employees.

In respect of defined contribution plans, the ALK Group pays in fixed contributions to independent pension funds etc. The contributions are recognised in the income statement during the period in which the employee renders the related service. Payments due are recognised as a liability in the balance sheet.

In respect of defined benefit plans, the ALK Group is required to pay an agreed benefit in connection with the retirement of the employees covered by the plan, e.g. in the form of a fixed amount or a percentage of the salary at retirement.

For defined benefit plans, an annual actuarial assessment is made of the net present value of future benefits to which the employees have earned the right through their past service for the ALK Group and which will have to be paid under the plan. The Projected Unit Credit Method is applied to determine net present value.

The net present value is calculated based on assumptions of the future development of salary, interest, inflation, mortality and disability rates.

The net present value of pension liabilities is recognised in the balance sheet, after deduction of the fair value of any assets attached to the plan, as either plan assets or pension liabilities, depending on whether the net amount is an asset or a liability, as described below.

If the assumptions made with respect to discount factor, inflation, mortality and disability are changed, or if there is a discrepancy between the expected and realised return on plan assets, actuarial gains or losses occur. These gains and losses concerning previous financial years are recognised in other comprehensive income.

Section 3 – Operating assets and liabilities

3.8 Provisions

Amounts in DKKm	Restructuring programs[1]	Other provisions[2]	Total
2024			
Provisions beginning of year	-	3	3
Provisions made during the year	63	13	76
Used during the year	(40)	-	(40)
Provisions, year end	**23**	**16**	**39**
Provisions are recognised as follows:			
Non-current liabilities	-	1	1
Current liabilities	23	15	38
Provisions, year end	**23**	**16**	**39**
2023			
Provisions beginning of year	-	3	3
Provisions made during the year	-	3	3
Used during the year	-	(2)	(2)
Reversals during the year	-	(1)	(1)
Provisions, year end	**-**	**3**	**3**
Provisions are recognised as follows:			
Non-current liabilities	-	1	1
Current liabilities	-	2	2
Provisions, year end	**-**	**3**	**3**

[1] The provision for restructuring programs of DKK 23 million relates to the implementation of restructuring initiatives aimed at freeing up resources to reinvest in strategic growth opportunities.
[2] Other provisions in 2024 include a provision for sales in Italy of DKK 8 million (2023: DKK 2 million) and provisions for various minor legal proceedings of DKK 8 million (2023: DKK 1 million).

§ Accounting policies

Provisions are recognised when, as a consequence of a past event during the financial year or previous years, the ALK Group has a legal or constructive obligation, and it is likely that settlement of the obligation will require an outflow of the ALK Group's financial resources. Provisions are measured as the best estimate of the costs required to settle the obligations at the balance sheet date. Provisions with an expected term of more than a year after the balance sheet date are measured at present value.

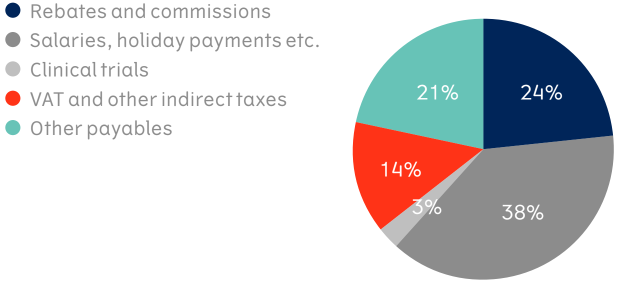
3.9 Other payables

Amounts in DKKm	2024	2023
Rebates and commissions, cf. note 2.1	208	241
Salaries, holiday payments etc.	337	307
Clinical trials, cf. note 2.2	24	26
VAT and other indirect taxes	123	96
Other payables	190	167
Total	**882**	**837**

§ Accounting policies

Other payables are recognised as a current liability and comprise costs due in the subsequent financial year. Other payables are measured at amortised cost.

Other payables 2024



Section 3 – Operating assets and liabilities

3.10 Contingent liabilities and commitments

Contingent liabilities
In the ordinary course of business, the ALK Group is involved in certain claims, disputes etc. In the opinion of Management, settlement or continuation of pending claims and other disputes will have no material impact on the ALK Group's financial position.

The ALK Group operates in a wide variety of jurisdictions, in some of which the tax law is subject to varying interpretations and potentially inconsistent enforcement. As a result, there can be practical uncertainties in applying tax legislation to the ALK Group's activities. Whilst the ALK Group considers that it operates in accordance with applicable tax law, there are potential tax exposures in respect of its operations, the impact of which cannot be reliably estimated, but could be material.

Joint taxation scheme
ALK-Abelló A/S is included in a joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S) and its Danish subsidiaries. The Danish companies are joint and several liable for the joint taxation liability. The joint taxation liability covers income taxes and withholding taxes on dividends, royalties and interest. The joint taxation liability is capped at an amount equal to the share of the capital of the company directly or indirectly owned by the ultimate parent company. The total tax obligation under the joint Danish taxation scheme is shown in the financial statements of the Lundbeck Foundation (Lundbeckfond Invest A/S).

Change of control
The ALK Group's credit facilities and drawn loans are subject to standard change of control clauses according to which the lender has the right to cancel the commitment and demand repayment of outstandings.

Security in assets
Land and buildings provided as security vis-à-vis for mortgage debt amount to DKK 228 million (2023: DKK 164 million). Mortgage debt amounts to DKK 185 million (2023: DKK 203 million).

Commitments

Amounts in DKKm	**2024**	**2023**
Bank guarantees[1]	80	80
Other guarantees	16	12
Total	**96**	**92**

[1] Bank guarantees include DKK 78 million related to ongoing tax audits (2023: DKK 78 million).

Section 4 – Capital structure and financing

4.1 Share capital and earnings per share

	2024		2023	
	Units	Nominal value (DKKm)	Units	Nominal value (DKKm)
Share capital				
The share capital consists of:				
A shares (nominal value of DKK 0.5)	18,415,200	9	18,415,200	9
AA shares (nominal value of DKK 0.5)	1,841,520	1	1,841,520	1
B shares (nominal value of DKK 0.5)	202,567,200	101	202,567,200	101
Total	**222,823,920**	**111**	**222,823,920**	**111**

Each A and AA share carries 10 votes, whereas each B share carries 1 vote. AA shares no longer held by individuals or legal entities other than the Lundbeck Foundation or companies which are group affiliated with the Lundbeck Foundation, cf. the definition of groups in section 6 of the Danish Companies Act, or in the event that a company which holds AA shares is no longer group affiliated with the Lundbeck Foundation, such AA shares shall be transferred to the B share capital.

According to a resolution passed by the parent company at the annual general meeting, the parent company is allowed to purchase treasury shares, up to 10% of the share capital. The parent company has purchased treasury shares in connection with the issuance of share-based incentive plans. All shares are paid in.

	2024	2023
Treasury shares		
Treasury shares beginning of year (B-shares), units	1,634,673	1,824,975
Sale of treasury shares, units	(211,176)	(190,302)
Treasury shares year end (B-shares), units	**1,423,497**	**1,634,673**
Proportion of share capital year end	0.6%	0.7%
Nominal value year end (DKKm)	0.7	0.8
Market value year end (DKKm)	226	165
Earnings per share		
The calculation of earnings per share is based on the following:		
Net profit (DKKm)	815	486
Number in units:		
Average number of issued shares	222,823,920	222,823,920
Average number of treasury shares	(1,505,851)	(1,678,589)
Average number of shares used for calculation of earnings per share	**221,318,069**	**221,145,331**
Average dilutive effect of outstanding share options	225,765	130,812
Average number of shares used for calculation of diluted earnings per share	**221,543,834**	**221,276,143**
Earnings per share (EPS) (DKK)	**3.68**	**2.20**
Earnings per share, diluted (DEPS) (DKK)	**3.68**	**2.20**

§ Accounting policies

Acquisition and sales sums arising on the purchase and sale of treasury shares and dividends on treasury shares are recognised directly in retained earnings under equity.

Section 4 – Capital structure and financing

4.2 Financial risks and financial instruments

Financial risk management policy
As a result of operations, investments and financing, the ALK Group is exposed to exchange and interest rate changes. ALK-Abelló A/S manages the ALK Group's financial risks centrally and coordinates the ALK Group's cash management, including the raising of capital and investment of excess cash. The ALK Group complies with a policy, approved by the Board of Directors, to maintain a low risk profile, ensuring that the ALK Group is only exposed to foreign exchange rate risk, liquidity risk, interest rate risk, and credit risk in connection with its commercial activities.

Capital structure
The ALK Group manages its capital to ensure that all entities will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the ALK Group consists of net debt and equity. The ALK Group will maintain an efficient capital structure with a financial gearing of maximum 2 x NIBD/EBITDA. The ALK Group will be disciplined about capital allocation to ensure flexibility to deliver on its growth ambitions while also generating attractive shareholder returns. Cash will be allocated in the following order of priority: Investments in organic growth, including R&D; CAPEX; business development and licensing activities; and finally, cash distribution to shareholders via dividends and/or share buyback programmes. The dividend policy of the ALK Group is to distribute maximum possible dividend to ALK-Abelló A/S.

The ALK Group's Risk Committee reviews the capital structure annually. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Foreign exchange rate risk
Foreign exchange rate risk arises due to imbalances between revenue and expenses in each individual currency. Foreign exchange rate exposure relating to future transactions and assets and liabilities is evaluated and hedged through matching of payments received and paid in the same currency. This serves to limit the impact on the financial results of any exchange rate fluctuations. The exchange rate exposure relating to net investments in foreign subsidiaries is not hedged by forward exchange contracts. In case it is evaluated to be relevant, the ALK Group hedges significant exchange rate exposures regarding future sales and purchase of goods in the coming six months in accordance with the ALK Group's policy.

The general objective of the ALK Group's foreign exchange risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results. The most significant financial risk relates to exchange rate fluctuations. The greatest exposure is to USD and in 2024, 14% (2023: 16%) of the revenue was denominated in USD. The sales are not deemed to be exposed to EUR due to Denmark's participation in the European Exchange Rate Mechanism.

The ALK Group is exposed to exchange rate risks when intercompany balances and net assets of foreign subsidiaries are translated into DKK. In accordance with the ALK Group's accounting policies, such currency translation adjustments are recognised in the income statement and in other comprehensive income, respectively.

No exchange rate hedge contracts were open at 31 December 2024 or 31 December 2023.

Sensitivity to a 10% increase in USD exchange rate
The table below shows the estimated effect of a 10% increase in the USD exchange rate on revenue, EBIT and equity levels, respectively. A decrease in the exchange rates will have a corresponding adverse effect. In the sensitivity analysis, data for revenue and EBIT are based on current short-term expectations and data for equity are based on actual equity at 31 December 2024.

Amounts in DKKm	**Revenue**	**EBIT**	**Net profit**	**Equity**
31 December 2024				
USD	approx. +95	approx. +10	approx. +10	approx. +25
31 December 2023				
USD	approx. +95	approx. +20	approx. +15	approx. +55

Section 4 – Capital structure and financing

4.2 Financial risks and financial instruments – continued

Net positions

Amounts in DKKm	Cash	Receivables	Liabilities	Amount hedged	Net position
31 December 2024					
DKK	5	47	(744)	-	(692)
USD	164	152	(283)	-	33
EUR	279	373	(1,632)	-	(980)
GBP	12	29	(35)	-	6
SEK	18	32	(21)	-	29
Other	111	264	(158)	-	217
Total	**589**	**897**	**(2,873)**	**-**	**(1,387)**
31 December 2023					
DKK	5	59	(873)	-	(809)
USD	262	214	(222)	-	254
EUR	100	437	(1,017)	-	(480)
GBP	3	17	(11)	-	9
SEK	6	41	(19)	-	28
Other	98	206	(138)	-	166
Total	**474**	**974**	**(2,280)**	**-**	**(832)**

Liquidity risk

In connection with the ALK Group's ongoing financing of operations, including refinancing, efforts are made to ensure adequate and flexible liquidity. This is guaranteed by placing free funds in credit-worthy, liquid, interest bearing instruments of relatively short durations in accordance with the ALK Group's policy. The ALK Group has not entered into any supplier finance arrangements in 2024 or 2023.

The liquidity risk is considered to be minimal due to the ALK Group's current capital structure.

Liquidity exposure

			Revaluation/payment date		
Amounts in DKKm	Carrying amount	Total cash flow[1]	Within 1 year	From 1-5 years	After 5 years
31 December 2024					
Mortgage debt and bank loans	856	862	696	74	92
Trade payables	165	165	165	-	-
Lease liabilities	331	372	55	163	154
Other financial liabilities	1,006	1,006	1,006	-	-
Financial liabilities	**2,358**	**2,405**	**1,922**	**237**	**246**
31 December 2023					
Mortgage debt and bank loans	464	466	282	74	110
Trade payables	128	128	128	-	-
Lease liabilities	301	337	54	143	140
Other financial liabilities	854	854	854	-	-
Financial liabilities	**1,747**	**1,785**	**1,318**	**217**	**250**

[1] Total cash flow includes interest.

Section 4 – Capital structure and financing

4.2 Financial risks and financial instruments – continued

Interest rate risk
The ALK Group does not hedge its interest rate exposure, as this is not considered to be financially viable.

Concerning the ALK Group's financial assets and financial liabilities, the earlier of the contractual revaluation and redemption date is applied. Effective interest rates are stated on the basis of the current level of interest rates on the balance sheet date.

Interest rate exposure

Amounts in DKKm	Carrying amount	Currency	Expiry date	Fixed/ floating	Effective interest rate
31 December 2024					
Cash	589	Various		Floating	(0.25)-5.15
Interestbearing assets	**589**				
Mortgage debt	185	DKK	2035	Floating	0.2
Lease liabilities	331	Various	2025-2038	Fixed	2.0
Bank loans	671	Various	2025	Fixed	3.6
Interestbearing liabilities	**1,187**				
31 December 2023					
Cash	474	Various		Floating	(1.25)-5.05
Interestbearing assets	**474**				
Mortgage debt	203	DKK	2035	Floating	0.2
Lease liabilities	301	Various	2024-2036	Fixed	2.0
Bank loans	261	Various	2024	Fixed	4.5
Interestbearing liabilities	**765**				

An increase in the interest rate of 1 percentage point on mortgage debt and bank loans would decrease net profit and equity by approximately DKK 9 million (2023: decrease of DKK 5 million). An increase in the interest of 1 percentage point on cash would increase net profit and equity by approximately DKK 6 million (2023: increase of DKK 5 million).

Credit risk
The ALK Group's primary credit exposure is related to trade receivables and cash. The ALK Group has no major exposure relating to one single customer or business partner. According to the ALK Group's policy for assuming credit exposure, all customers and business partners are credit rated regularly. Trade receivables are monitored at the local level and are distributed across a number of markets and customers. Therefore, the credit risk is considered to be low. For more information, see note 3.5.

Embedded derivative financial instruments
The ALK Group has made a systematic review of contracts that might contain terms that would make the contract or parts thereof a derivative financial instrument. The review did not lead to recognition of derivative financial instruments relating to the contracts.

§ Accounting policies

Financial assets
On initial recognition, investments and other financial assets are measured at cost, corresponding to fair value. They are subsequently measured at fair value either through the income statement or through comprehensive income.

Financial liabilities
Other financial liabilities, including bank loans, lease liabilities, trade payables, and other payables, are on initial recognition measured at fair value. The liabilities are subsequently measured at amortised cost.

Debt
Trade payables, other payables, including sales discounts and rebates as well as debt to public authorities etc., are measured at amortised cost.

Mortgage debt
Mortgage debt is recognised on the raising of a loan at cost, equalling fair value of the proceeds received, and net of transaction costs incurred. Subsequently, mortgage debt is measured at amortised cost.

Section 4 – Capital structure and financing

4.2 Financial risks and financial instruments – continued

Categories of financial instruments

Amounts in DKKm		2024	2023
Financial assets			
Financial assets measured at amortised cost	**Impairment method**		
Prepayments	12m ECL	26	49
Trade receivables	Lifetime ECL (simplified approach)	812	816
Other receivables	12m ECL	49	74
Cash		589	474
Total		**1,476**	**1,413**
Financial liabilities			
Financial liabilities measured at amortised cost			
Mortgage debt		185	203
Bank loans		671	261
Lease liabilities		331	301
Trade payables		165	128
Other payables		882	837
Total		**2,234**	**1,730**

Measurement and fair value hierarchy

		Revaluation/payment date		
Amounts in DKKm	**Fair value**	**Within 1 year**	**From 1-5 years**	**After 5 years**
31 December 2024				
Mortgage debt	187	19	74	94
Bank loans	671	671	-	-
Total	**858**	**690**	**74**	**94**
31 December 2023				
Mortgage debt	206	19	75	112
Bank loans	261	261	-	-
Total	**467**	**280**	**75**	**112**

All financial assets and liabilities are measured at cost or amortised cost. The carrying amounts for these approximate fair value.

Fair value for mortgage debt is measured by level 1 input (quoted prices in active markets) from the fair value hierarchy and fair value for bank loans is measured by level 2 input (inputs other than quoted markets that are observable) from the fair value hierarchy.

No financial derivatives were used in 2024 or 2023.

Financial resources
The ALK Group has a DKK 1,500 million credit facility which runs until 2026. By the end of 2024, DKK 671 million was drawn.

Section 5 – Other disclosures

5.1 Share-based payments

The ALK Group has established long-term equity-based incentive plans linked to the creation of shareholder value and the fulfilment of strategic goals. The plans are established for the members of Board of Management and other key employees, reward long-term value creation, and align to interests of the shareholders.

The incentive plans consist of share options, performance share units, and restricted stock units that are considered sufficiently covered by treasury shares.

The share options entitle the holder to acquire one existing B share of DKK 0.5 nominal value in the company per share option. The performance share units and restricted stock units entitle the holder to receive one existing B share per performance share unit or restricted stock unit free of charge.

The vesting period for both share options, performance share units, and restricted stock units is three years after grant. Vesting of share options and performance share units is conditional upon certain targets being met and upon the participant not having resigned. Target achievement is met upon fulfilment of strategic key performance indicators. In case performance is below the threshold there will be no units vesting, and if above target, a multiplier is applied that can increase the vesting by up to 100%. Vesting of restricted stock units is conditional upon continued employment.

The exercise of share options is possible in the trading windows following the release of annual and interim reports conditional upon the share option holder not having resigned at the time of exercise. For performance share units and restricted stock units, the final transfer of ownership takes place at vesting three years after the grant.

For the 2023 and 2024 plans, a cap applies to the maximum total value gain from share options, performance shares, and restricted stock units at exercise and/or vesting, respectively, granted in a calendar year. The cap is four times the annual base salary at the time of award of the share options, performance share units, and restricted stock units concerned.

Expensed in the income statement:

Amounts in DKKm	**2024**	**2023**
Cost for the year regarding share-based payments is recognised as follows:		
Cost of sales	10	6
Research and development expenses	9	6
Sales and marketing expenses	13	9
Administrative expenses	16	9
Financial expenses	3	-
Total	**51**	**30**

In 2024, the total cost of share-based payments included a financial expense of DKK 3 million due to the exercise and cash settlement of share options (2023: financial income of DKK 0.1 million). The total cost included DKK 22 million related to adjustment in the share options and performance share units (2023: DKK 8 million).

Section 5 – Other disclosures

5.1 Share-based payments – continued

Specification of outstanding share options, performance share units, and restricted stock units:

	Share options				Performance share units			Restricted stock units
	Board of Management units	Other key employees units	Total units	Weighted average exercise price DKK	Board of Management units	Other key employees units	Total units	Board of Management units
2024								
Outstanding at 1 January	487,811	766,268	1,254,079	95	28,263	387,116	415,379	151,997
Additions	49,945	116,286	166,231	126	39,983	154,125	194,108	-
Exercised/settled	(105,535)	(588,280)	(693,815)	92	(6,216)	(175,980)	(182,196)	-
Cancellations	-	-	-	-	-	(20,639)	(20,639)	-
Outstanding at 31 December	**432,221**	**294,274**	**726,495**	**109**	**62,030**	**344,622**	**406,652**	**151,997**
Total number of vested share options			103,656					
Average remaining life at year end (years)			4.3					
Exercise prices at year end (DKK)			76-148					
2023								
Outstanding at 1 January	590,120	638,740	1,228,860	82	79,020	423,920	502,940	-
Additions	397,661	86,657	484,318	86	25,358	165,452	190,810	151,997
Exercised/settled	(192,320)	(241,899)	(434,219)	48	(42,895)	(202,216)	(245,111)	-
Change in Board of Management[1]	(307,650)	307,650	-	-	(8,240)	8,240	-	-
Cancellations	-	(24,880)	(24,880)	106	(24,980)	(8,280)	(33,260)	-
Outstanding at 31 December	**487,811**	**766,268**	**1,254,079**	**95**	**28,263**	**387,116**	**415,379**	**151,997**
Total number of vested share options			451,150					
Average remaining life at year end (years)			2.6					
Exercise prices at year end (DKK)			59-144					

The Board of Directors decided for two trading windows in 2024 to settle share options by cash and a total of 616,647 share options were exercised and total cash payments amounted to DKK 33 million. For two trading windows in 2024 the Board of Directors decided to settle share options by shares and a total of 77,168 share options were exercised.

In 2023, the Board of Directors decided for two trading windows to settle share options by cash and a total of 434,219 share options were exercised and total cash payments amounted to DKK 14 million. The Board of Directors decided not to open two trading windows for exercises in 2023.

[1] In relation to the resignation of the previous CEO in 2023, it was agreed that he kept his outstanding share options and the related outstanding costs were accelerated, while outstanding performance share units were cancelled.

Section 5 – Other disclosures

5.1 Share-based payments – continued

Outstanding share options, performance share units and restricted stock units have the following characteristics:

	Share options				Performance share units		Restricted stock units	
Plan	**Units**	**Average exercise price DKK**	**Vested as per**	**Exercise period (years)**	**Units**	**Vested as per**	**Units**	**Vested as per**
2021 Plan	103,656	126	1 Mar 2024	2		1 Mar 2024		
2022 Plan	126,080	152	1 Mar 2025	2	119,300	1 Mar 2025		
2023 Plan	84,433	104	1 Apr 2026	4	150,330	1 Apr 2026		
2023 Plan, special	323,519	82	1 Jun 2026	4				
2023 Plan, special							21,925	1 Mar 2026
2023 Plan, special							130,072	1 Nov 2026
2024 Plan	88,807	126	1 Apr 2027	4	137,022	1 Apr 2027		
Outstanding at 31 December	**726,495**				**406,652**		**151,997**	

Fair value of share options, performance share units, and restricted stock units granted:
Share options
Fair value at grant date is measured in accordance with the Black & Scholes model for valuation of share options, using the following assumptions:

	2024 Plan	**2023 Plan**	**2023 Special plan**
Average share price (DKK)	126	104	82
Expected exercise price (DKK)	126	104	82
Expected volatility rate, based on the historical volatility	40% p.a.	36% p.a.	38% p.a.
Expected option life	5 years	5 years	5 years
Expected dividend per share	-	-	-
Risk-free interest rate	2.29% p.a.	2.57% p.a.	2.73% p.a.
Calculated fair value of granted share options (DKK)	48	37	31

Performance share units
In 2024, performance share units have been granted at DKK 126 per share (2023: DKK 104 per share).

Restricted stock units
No restricted stock units were granted in 2024. In 2023, restricted stock units were granted at DKK 105 and DKK 77 per share for the respective 2023 plans.

§ Accounting policies

Share-based incentive plans (equity-settled share-based payments), which comprise share options, performance share units, and restricted stock units are measured at the grant date at fair value and recognised in the income statement under the respective functions over the vesting period and offset in equity.

The fair value of share options is determined using the Black & Scholes model. The exercise price is equivalent to the average market price of the share for the five trading days immediately preceeding the date of grant. For 2023 and later share option plans the exercise price is reduced by dividends paid. For share option plans before 2023 the exercise price is increased by 2.5% p.a. and reduced by dividends paid.

The fair value of performance share units and restricted stock units is determined using the average share price (closing) five days after annual general meeting.

The ALK Group settles the equity-settled share-based incentive plans in shares. However, the share option agreement entitles the ALK Group to demand cash settlement of the options. The ALK Group recognises share options, in case of cash settlement, as other liabilities and adjusts to fair value as from the time when the ALK Group has an obligation to settle in cash. The ALK Group recognises subsequent adjustment to fair value in the income statement under financial income or financial expenses.

Section 5 – Other disclosures

5.2 Cash flow

Adjustment for non-cash items

Amounts in DKKm	2024	2023
Tax on profit	242	161
Financial income and expenses	34	19
Share-based payments	51	30
Depreciation, amortisation and impairment	272	245
Other adjustments	41	3
Total	**640**	**458**

Changes in working capital

Amounts in DKKm	2024	2023
Change in inventories	(272)	(132)
Change in receivables and prepayments	78	(69)
Change in short-term payables	43	(2)
Total	**(151)**	**(203)**

Reconciliation of liabilities arising from financing activities

Amounts in DKKm	2024	2023
Liabilities from financing activities at 1 January	765	696
Proceeds from borrowings	671	671
Repayment of borrowings	(279)	(636)
Lease additions and modifications	76	83
Instalments of lease liabilities	(50)	(46)
Exchange rate adjustments	4	(3)
Liabilities from financing activities at 31 December	**1,187**	**765**

Financial reserves

Amounts in DKKm	2024	2023
Cash	589	474
Undrawn facilities	829	1,239
Total	**1,418**	**1,713**

ALK has a DKK 1,500 million credit facility which runs until 2026. By the end of 2024, DKK 671 million was drawn.

§ Accounting policies

Cash flow
The cash flow statement of the ALK Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash at the beginning and at the end of the financial year.

The cash effect of acquisitions and divestments is shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divested companies are recognised until the date of divestment.

Cash flows from operating activities are stated as net profit, adjusted for non-cash operating items and changes in working capital, less the income tax paid and plus net financial items.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of companies and financial assets as well as purchase, development, improvement and sale of intangible and tangible assets.

Cash flows from financing activities comprise changes to the parent company's share capital and related costs as well as the raising and repayment of loans, instalments on interest-bearing debt, lease liabilities, purchase of treasury shares, and settlement of share options and payment of dividends.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement using average exchange rates for the individual months if these are a reasonable approximation of the actual exchange rates at the transaction dates. If this is not the case, the actual exchange rates for the specific days in questions are used.

Cash comprise cash subject to an insignificant risk of changes in value less any overdraft facilities that are an integral part of the ALK Group's cash management.

Section 5 – Other disclosures

5.3 Business combinations

On 2 January 2024, the ALK Group acquired the operating assets of AllerQuest for a total cash consideration of DKK 125 million. The consideration amount includes an escrow amount of DKK 10 million which serves as reserve for potential indemnifications over 18 months from acquisition date.

AllerQuest was a U.S.-based company dedicated to manufacturing PRE-PEN® Skin Antigen Test. This acquisition makes ALK the sole manufacturer and distributor of PRE-PEN in the U.S. and Canada, with global ownership rights to all assets of AllerQuest. PRE-PEN is the only FDA-approved diagnostic skin test for the evaluation of penicillin allergy and is indicated for the assessment of sensitization to penicillin in patients suspected to have clinical penicillin hypersensitivity.

AllerQuest was previously a supplier of the ALK Group and integration has been completed in 2024.

The transaction was on a debt and cash free basis. No liabilities were transferred.

Consolidated fair values of acquisitions:

Amounts in DKKm	**2024**
Tangible assets and inventory	7
Product rights	118
Acquisition cost	125
Contingent considerations	(10)
Cash acquisition cost	**115**

No companies or operations were acquired in 2023.

§ Accounting policies

Newly acquired or newly established companies or operations are recognised in the consolidated financial statements from the date of acquisition or establishment. The date of acquisition is the date when control of the company actually passes to the ALK group.

Acquisitions are accounted for using the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of companies acquired are measured at fair value at the date of acquisition.

Restructuring costs are only recognised in the takeover balance sheet if they represent a liability to the acquired company. The tax effect of revaluations is taken into account.

The cost of a company is the fair value of the consideration paid. If the final determination of the consideration is conditional on one or more future events, these are recognised at their fair value as of the acquisition date.

Costs that can be attributed directly to the transfer of ownership are recognised in the income statement when they are incurred. As a general rule, adjustments to estimates of conditional consideration are recognised directly to the income statement.

If the fair value of the acquired assets or liabilities subsequently proves different from the values calculated at the acquisition date, cost is adjusted for up to 12 months after the date of acquisition.

Any excess of the cost of an acquired company over the fair value of the acquired assets, liabilities and contingent liabilities (goodwill) is recognised as an asset under intangible assets and tested for impairment at least once a year.

Section 5 – Other disclosures

5.4 Related parties

Related party exercising control
ALK-Abelló A/S is controlled by the Lundbeck Foundation (Lundbeckfond Invest A/S) domiciled in Copenhagen, Denmark, which holds 67.2% of the total number of votes in ALK Abelló A/S. The remaining shares are widely held. ALK-Abelló A/S is parent company, and ultimate parent for the ALK Group is the Lundbeck Foundation (Lundbeckfond Invest A/S, incorporated in Denmark).

Other related parties comprise ALK's Board of Management and Board of Directors, companies in which the majority shareholder exercises control, and such companies' subsidiaries, in this case e.g, H. Lundbeck A/S and Falck A/S and their subsidiaries.

Transactions and balances
Transactions with the parent company's majority shareholder:

- ALK-Abelló A/S received DKK 3 million (2023: DKK 14 million) concerning outstanding company tax from the Lundbeck Foundation (Lundbeckfond Invest A/S). The company tax relates to ALK-Abelló A/S and ALK-Abelló Nordic A/S.

Transactions with key management personnel consist of remuneration and exercise of share options, see notes 2.4 and 5.1 of the consolidated financial statements.

No other transactions have taken place during the year with Board of Directors, Board of Management, major shareholders or other related parties.

5.5 Events after the reporting period

No events have occured after the reporting period, that influence the evaluation of the consolidated financial statements.

5.6 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 19 February 2025.

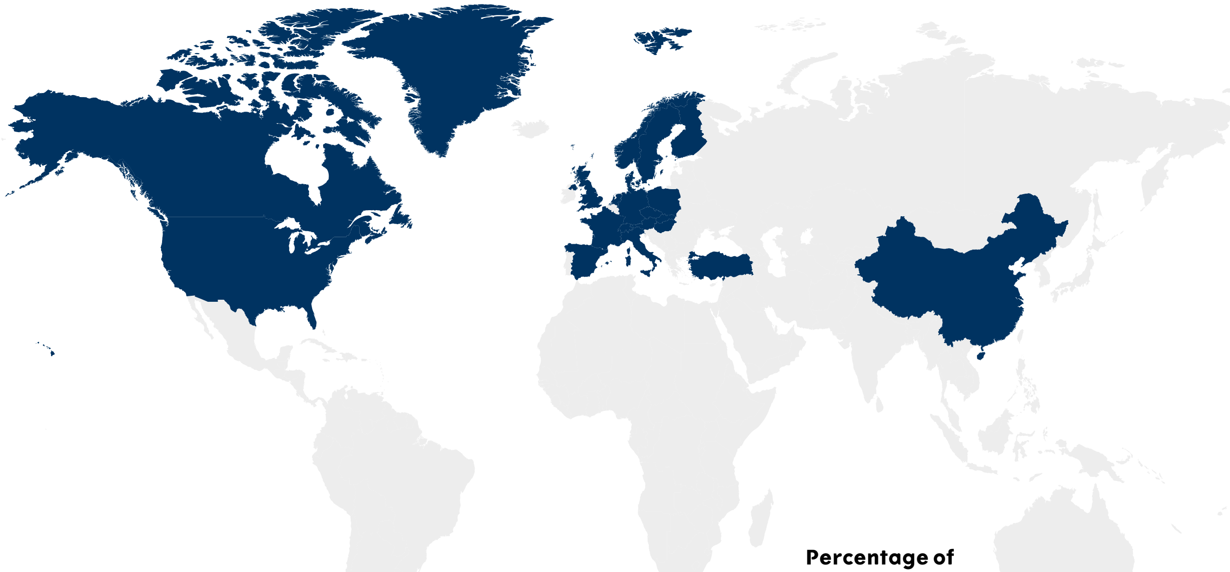
Section 5 – Other disclosures

5.7 List of companies in the ALK Group

Activity
- ● Production
- ● Sales and distribution
- ● Research and development
- ● Services

Entity	Country	Percentage of shares owned	Activity
Parent company			
ALK-Abelló A/S	Denmark		Production, Sales and distribution, Research and development, Services
Subsidiaries by geographical area			
Europe			
ALK-Abelló Allergie-Service GmbH	Austria	100%	Sales and distribution
ALK-Abelló Nordic A/S	Denmark	100%	Sales and distribution
ALK-Abelló Nordic A/S (branch)	Finland	100%	Services
ALK-Abelló Nordic A/S (branch)	Norway	100%	Services
ALK-Abelló Nordic A/S (branch)	Sweden	100%	Services
ALK S.A.S.	France	100%	Production, Sales and distribution, Research and development
ALK-Abelló Arzneimittel GmbH	Germany	100%	Sales and distribution
ALK-Abelló B.V.[1]	Netherlands	100%	Sales and distribution
ALK-Abelló Sp. z o.o.	Poland	100%	Services
ALK Slovakia s.r.o.	Slovakia	100%	Sales and distribution
ALK Slovakia s.r.o. – odštěpný závod (branch)	Czech Republic	100%	Services
ALK Slovakia s.r.o. Magyarországi Fióktelepe (branch)	Hungary	100%	Services
ALK-Abelló S.A.	Spain	100%	Production, Sales and distribution, Research and development
ALK-Abelló S.p.A.	Italy	100%	Sales and distribution
ALK AG (In liquidation)	Switzerland	100%	Services
ALK-Abelló AG	Switzerland	100%	Sales and distribution
ALK-Abelló Ltd.	United Kingdom	100%	Sales and distribution

[1] Exemption for local audit of the 2024 accounts under the ruling of the Article 2:403 of the Dutch Civil Code is intended – Btw-nr. NL005302766B01



Entity	Country	Percentage of shares owned	Activity
North America			
ALK-Abelló Pharmaceuticals, Inc.	Canada	100%	Sales and distribution
ALK-Abelló, Inc.	USA	100%	Production, Sales and distribution, Research and development
OKC Allergy Supplies, Inc.	USA	100%	Production
ALK-Abelló Source Materials, Inc.	USA	100%	Production, Sales and distribution, Research and development
International markets			
ALK-Abelló A/S (branch)	China	100%	Sales and distribution
ALK (Shanghai) Medical Technology Co., Ltd.	China	100%	Services
ALK (Shanghai) Medical Technology Co., Ltd. Beijing (branch)	China	100%	Services
ALK (Shanghai) Medical Technology Co., Ltd. Guangzhou (branch)	China	100%	Services
ALK (Guangzhou) Medical Technology Co., Ltd.	China	100%	Services
Tasfiye Halinde ALK Ilac ve Alerji Ürünleri Ticaret Anonim Sirketi (In liquidation)	Turkey	100%	Sales and distribution

Definitions

Term	Definitions
Gross margin – %	Gross profit x 100 / Revenue
EBIT margin – %	EBIT x 100 / Revenue
Return on equity (ROE) – %	Net profit/(loss) for the period x 100 / Average equity
ROIC incl. goodwill – %	Operating profit x 100 / Average invested capital incl. goodwill
Pay-out ratio – %	Proposed dividend x 100 / Net profit/(loss) for the year
Earnings/(loss) per share (EPS)	Net profit/(loss) for the period / Average number of outstanding shares
Earnings/(loss) per share diluted (DEPS)	Net profit/(loss) for the period / Average number of outstanding shares diluted
Cash flow per share (CFPS)	Cash flow from operating activities / Average number of outstanding shares
Price earnings ratio (PE)	Share price / Earnings per share
Net asset value per share	Net asset value / Number of shares end of period
Invested capital	Intangible assets, tangible assets, inventories and current receivables reduced by liabilities except for mortgage debt and bank loans
Markets	Geographical markets (based on customer location): • Europe comprises the EU, UK, Norway and Switzerland • North America comprises the USA and Canada • International markets comprise Japan, China and all other countries

The definitions are aligned with generally accepted financial ratios applied by financial analysts. The definitions are part of the Management's review.

Alternative Performance Measures

Amounts in DKKm	2024	2023
EBITDA reconciliation to net profit		
Net profit	815	486
Tax on profit	242	161
Financial income	(61)	(12)
Financial expenses	95	31
Depreciation, amortisation and impairment	272	245
EBITDA	**1,363**	**911**
Net asset value		
Equity	5,373	4,447
Net asset value	**5,373**	**4,447**
Invested capital reconciliation		
Intangible assets	1,792	671
Tangible assets	2,347	2,181
Inventories	1,716	1,423
Trade receivables	812	816
Income tax receivables	10	34
Other receivables	49	74
Prepayments	118	147
Pensions and similar liabilities	(251)	(245)
Lease liabilities (non-current)	(285)	(255)
Deferred income (non-current)	(45)	(46)
Provisions (non-current)	(1)	(1)
Trade payables	(165)	(128)
Lease liabilities (current)	(46)	(46)
Deferred income (current)	(4)	(4)
Provisions (current)	(38)	(2)
Income tax payables (current)	(124)	(17)
Other payables	(882)	(837)
Invested capital	**5,003**	**3,765**

Parent company financial statements

Notes

Income statement

Amounts in DKKm	Note	2024	2023
Revenue	2	4,114	2,171
Cost of sales	3	1,457	1,061
Gross profit		**2,657**	**1,110**
Research and development expenses	3	514	544
Sales and marketing expenses	3	466	371
Administrative expenses	3, 17	185	170
Operating profit/(loss) (EBIT)		**1,492**	**25**
Income from investments in subsidiaries	9	119	152
Financial income	4	86	29
Financial expenses	4	69	36
Profit before tax (EBT)		**1,628**	**170**
Tax on profit/(loss)	5	325	(19)
Net profit	18	**1,303**	**189**

Balance sheet – Assets

Amounts in DKKm	Note	31 Dec. 2024	31 Dec. 2023
Non-current assets			
Intangible assets			
Intangible assets	6	1,200	187
		1,200	**187**
Tangible assets			
Land and buildings	7	366	311
Plant and machinery	7	286	244
Other fixtures and equipment	7	52	52
Property, plant and equipment in progress	7	329	389
		1,033	**996**
Other non-current assets			
Investments in subsidiaries	9	1,058	1,058
Receivables from group companies		2,450	1,754
Prepayments		19	45
Deferred tax assets	8	22	289
Income tax receivables		118	149
		3,667	**3,295**
Total non-current assets		**5,900**	**4,478**
Current assets			
Inventories	10	727	689
Trade receivables		60	45
Receivables from group companies		327	245
Income tax receivables		1	2
Other receivables		81	53
Prepayments		88	110
		1,284	**1,144**
Cash		361	174
Total current assets		**1,645**	**1,318**
Total assets		**7,545**	**5,796**

Balance sheet – Equity and liabilities

Amounts in DKKm	Note	31 Dec. 2024	31 Dec. 2023
Equity			
Share capital		111	111
Retained earnings		4,969	3,652
Capitalised development costs		51	38
Total equity		**5,131**	**3,801**
Liabilities			
Non-current liabilities			
Mortgage debt	11	166	184
Pensions and similar liabilities	12	62	61
Lease liabilities	13	131	141
Deferred income		44	46
Income tax payables to group companies	14	-	120
		403	**552**
Current liabilities			
Mortgage debt	11	19	19
Bank loans	11	671	261
Trade payables		72	52
Payables to group companies		991	882
Lease liabilities	13	14	14
Deferred income		3	3
Other payables		241	212
		2,011	**1,443**
Total liabilities		**2,414**	**1,995**
Total equity and liabilities		**7,545**	**5,796**

Statement of changes in equity

Amounts in DKKm	Share capital	Retained earnings	Reserve for capitalised development costs	Proposed dividend	Total equity
2024					
Equity at 1 January	111	3,652	38	-	3,801
Appropriated from net profit	-	1,303	-	-	1,303
Share-based payments	-	51	-	-	51
Share options settled	-	(38)	-	-	(38)
Sale of treasury shares	-	6	-	-	6
Transfer to legal reserves	-	(13)	13	-	-
Tax related to items recognised directly in equity	-	8	-	-	8
Other transactions	**-**	**1,317**	**13**	**-**	**1,330**
Equity at 31 December	**111**	**4,969**	**51**	**-**	**5,131**

See note 4.1 in the consolidated financial statements for information on treasury shares.

Notes

1 Accounting policies

General

The financial statements of the parent company ALK-Abelló A/S for the period 1 January to 31 December 2024 have been prepared in accordance with the Danish Financial Statements Act for large reporting class D enterprises.

The financial statements are presented in Danish kroner (DKK), which is also the functional currency of the company.

The accounting policies are unchanged from last year.

The parent company's accounting policies for recognition and measurement are in accordance with the ALK Group's accounting policies with the following exceptions:

Income statement

Results of investments in subsidiaries
Dividends from investments in subsidiaries are recognised in the parent company's financial statements when the right to the dividend finally vests, typically at the date of the company's approval in general meeting of the dividend of the company in question less any write-downs at the investments.

Balance sheet

Acquisition of activities from subsidiaries
Acquisition of activities from subsidiaries is accounted for using the purchase method. On initial recognition, goodwill is measured and recognised as the excess of the consideration transferred exceeding the fair value of the net assets acquired at the acquisition date.

Goodwill
Goodwill is measured at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over the expected useful life, estimated at 10 years. This estimate was made based on estimated useful lives of the assets acquired.

Investments in subsidiaries
Investments in subsidiaries are measured at cost.

Where the recoverable amount of the investments is lower than cost, the investments are written down to this lower value.

In addition, cost is written down to the extent that dividends distributed exceed the accumulated earnings in the company since the acquisition date. In the event of indications of impairment, an impairment test is performed of investments in subsidiaries.

Capitalisation of development costs
A reserve for capitalisation of development costs less deferred tax is recognised in the statement of equity. The reserve contains development costs, less amortisation/impairment losses, and less deferred tax, capitalised since 1 January 2016.

Other accounting information

Cash flow statement
As allowed under section 86 (4) of the Danish Financial Statements Act, no cash flow statement is presented, as this is included in the consolidated cash flow statement.

Notes

2 Revenue and segment information

Amounts in DKKm	2024	2023
Sale of goods	4,003	2,070
Royalties	108	99
Services	3	2
Total revenue	**4,114**	**2,171**
Europe	3,579	1,657
International markets	535	514
Total revenue	**4,114**	**2,171**

3 Staff costs

Amounts in DKKm	2024	2023
Wages and salaries	742	744
Pensions	71	68
Other social security costs, etc.	18	16
Share-based payments	33	21
Total	**864**	**849**
Staff costs are allocated as follows:		
Cost of sales	344	326
Research and development expenses	283	267
Sales and marketing expenses	65	69
Administrative expenses	126	120
Included in the cost of assets	46	67
Total	**864**	**849**
Remuneration to Board of Management and Board of Directors:		
See note 2.4 and 5.1 in the consolidated financial statements.		
Employees		
Average number (FTE)	923	926
Number year end (FTE)	896	950

4 Financial income and expenses

Amounts in DKKm	2024	2023
Interest on receivables from group companies	18	20
Other interest income[1]	68	9
Total financial income	**86**	**29**
Interest on payables to group companies	2	7
Other interest expenses[2]	40	28
Currency loss, net	27	1
Total financial expenses	**69**	**36**

[1] In 2024, other interest income include interest related to the resolved tax audit in Germany. Further, other interest income include net interest related to uncertain tax positions of DKK 4 million (2023: DKK 0)

[2] In 2024, other interest expenses include leasing interest expenses of DKK 4 million (2023: DKK 3 million).

5 Income tax

Amounts in DKKm	2024	2023
Current income tax	52	(21)
Adjustment of deferred tax	273	1
Prior years adjustments, income tax	(2)	2
Prior years adjustments, deferred tax	2	(1)
Total	**325**	**(19)**
Profit before tax	1,628	170
Income tax, tax rate of 22%	358	37
Permanent differences	(42)	(37)
Prior years adjustments, income tax	(2)	2
Prior years adjustments, deferred tax	2	(1)
Other taxes and adjustments	9	(20)
Tax on profit for the year	**325**	**(19)**

Notes

6 Intangible assets

Amounts in DKKm	Goodwill	Patents, trademarks and rights	Development cost[1]	Software	Assets in progress[2]	2024	2023
Cost beginning of year	867	69	59	359	51	1,405	1,344
Additions	-	-	18	8	1,017	1,043	70
Disposals	-	(12)	-	(9)	-	(21)	(9)
Transfer to/from other groups	-	-	-	24	(24)	-	-
Cost year end	**867**	**57**	**77**	**382**	**1,044**	**2,427**	**1,405**
Amortisation and impairment beginning of year	867	69	11	271	-	1,218	1,198
Amortisation for the year	-	-	1	28	-	29	29
Disposals during the year	-	(12)	-	(9)	-	(21)	(9)
Impairment during the year	-	-	-	1	-	1	-
Amortisation and impairment year end	**867**	**57**	**12**	**291**	**-**	**1,227**	**1,218**
Carrying amount year end	**-**	**-**	**65**	**91**	**1,044**	**1,200**	**187**

[1] The capitalised development cost relates to development of medical device products where the individual minor development projects are running for short-term periods and are subject to limited risk. The development projects are generating economic benefits in the form of sale of goods. At 31 December 2024, the capitalised development cost relates to the development of the adrenaline auto-injectors for the European and US markets.
[2] In 2024, ALK-Abelló A/S has entered into a Collaboration, License and Distribution Agreement with ARS Pharmaceuticals Inc. where the asset is not ready for use due to pending regulatory and other approvals.

Notes

7 Property, plant and equipment

Amounts in DKKm	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	2024	2023
Cost beginning of year	667	560	81	389	1,697	1,488
Additions	6	1	9	105	121	211
Remeasurement of lease obligations	4	-	-	-	4	10
Disposals	(22)	(21)	(1)	-	(44)	(12)
Transfer to/from other groups	75	86	4	(165)	-	-
Cost year end	**730**	**626**	**93**	**329**	**1,778**	**1,697**
Depreciation and impairment beginning of year	356	316	29	-	701	632
Depreciation for the year	30	44	13	-	87	81
Disposals during the year	(22)	(21)	(1)	-	(44)	(12)
Impairment during the year	-	1	-	-	1	-
Depreciation and impairment year end	**364**	**340**	**41**	**-**	**745**	**701**
Carrying amount year end	**366**	**286**	**52**	**329**	**1,033**	**996**
of which assets held under leases[1]	135	-	1	-	136	147
Value of land and buildings subject to mortgages					228	164

[1] Land and buildings in Denmark include buildings on land leased from Scion DTU A/S, Hørsholm. The estimated lease terms are 15 years.

Notes

8 Deferred tax

Amounts in DKKm	Intangible assets	Tangible assets	Current and other assets	Liabilities	Tax losses carried forward	Total
2024						
Carrying amount beginning of year	(19)	(73)	(31)	44	368	289
Adjustment to prior years	(1)	(4)	1	1	-	(3)
Adjustment of receivables from group companies	-	-	-	-	1	1
Recognised in the income statement, net	(219)	(6)	26	(1)	(73)	(273)
Recognised in equity, net (share-based payments)	-	-	3	-	5	8
Carrying amount year end	**(239)**	**(83)**	**(1)**	**44**	**301**	**22**
2023						
Carrying amount beginning of year	(19)	(61)	(19)	36	345	282
Adjustment to prior years	-	-	-	-	1	1
Adjustment of receivables from group companies	-	-	-	-	7	7
Recognised in the income statement, net	-	(12)	(10)	8	13	(1)
Recognised in equity, net (share-based payments)	-	-	(2)	-	2	-
Carrying amount year end	**(19)**	**(73)**	**(31)**	**44**	**368**	**289**

ALK-Abelló A/S is included in a joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S) and its Danish subsidiaries.

ALK-Abelló A/S recognises deferred tax assets including the tax value of tax losses if it is probable that it can be utilised against future taxable income within a foreseeable future. This includes an assessment of the possibilities to utilise tax losses in the joint Danish taxation scheme with the Lundbeck Foundation (Lundbeckfond Invest A/S).

Notes

9 Investments in subsidiaries

Amounts in DKKm	2024	2023
Cost beginning of year	1,470	1,470
Cost year end	**1,470**	**1,470**
Write-down beginning of year	412	412
Write-down year end	**412**	**412**
Carrying amount year end	**1,058**	**1,058**

In the income statement, income from investments in subsidiaries is dividends, which amounts to DKK 119 million (2023: DKK 152 million).

For an overview of all subsidiaries see note 5.7 in the consolidated financial statements.

10 Inventories

Amounts in DKKm	2024	2023
Raw materials	194	109
Work in progress	452	513
Manufactured goods and goods for resale	81	67
Total	**727**	**689**
Amount of write-down of inventories during the year	10	18
Amount of reversal of write-down of inventories during the year	7	8

11 Mortgage debt and bank loans

Amounts in DKKm	2024	2023
Debt to mortgage credit institutions secured by buildings		
Mortgage debt is due as follows:		
Within 1 year	19	19
From 1-5 years	74	74
After 5 years	92	110
Total	**185**	**203**
Bank loans		
Bank loans are due as follows:		
Within 1 year	671	261
From 1-5 years	-	-
After 5 years	-	-
Total	**671**	**261**

12 Pensions and similar liabilities

Amounts in DKKm	2024	2023
Pensions and similar liabilities expire as follows:[1]		
Within 1 year	-	1
From 1-5 years	5	3
After 5 years	57	57
Total	**62**	**61**

[1] Pensions and similiar liabilities relate to the provision for transition period for the Danish Holiday Act.

Notes

13 Lease liabilities

Amounts in DKKm	2024	2023
Lease liabilities expire as follows:		
Within 1 year	14	14
From 1-5 years	62	58
After 5 years	69	83
Total	**145**	**155**

14 Income tax payables to group companies

In 2024, a tax audit in Germany has been resolved and end of 2024 ALK-Abelló A/S has no non-current income tax payables to group companies (2023: DKK 120 million).

15 Contingent liabilities and commitments

End of 2023, ALK-Abelló A/S had issued a hold-harmless letter to ALK-Abelló Arzneimittel GmbH. As a result of the resolved tax audit in Germany in 2024, there is no hold-harmless letter issued end of 2024.

For more information on contingent liabilities and commitments, see note 3.10 in the consolidated financial statements.

16 Related parties

ALK-Abelló A/S is included in the consolidated financial statements of the Lundbeck Foundation (Lundbeckfond Invest A/S, incorporated in Denmark).

ALK-Abelló A/S has had transactions with subsidiaries during 2024. All subsidiaries are owned 100%. The transactions are eliminated in the consolidated financial statements.

Transactions with the majority shareholder are disclosed in note 5.4 in the consolidated financial statements. Apart from remuneration, no other transactions have taken place during the year with Board of Directors, Board of Management, major shareholders or other related parties.

Remuneration etc. to Board of Directors and Board of Management
For information on remuneration and exercise of share options for the ALK Group's Board of Directors and Board of Management, see note 2.4 and 5.1 in the consolidated financial statements.

17 Fees to ALK-Abelló A/S' auditors

Amounts in DKKm	2024	2023
Fees to the auditors appointed at the annual general meeting:		
Audit services	2	2
Other opinions	2	-
Tax advisory services	1	1
Other services	-	1
Total	**5**	**4**

18 Proposed appropriation of net profit

Amounts in DKKm	2024	2023
Proposed dividend	-	-
Retained earnings	1,303	189
Net profit	**1,303**	**189**

19 Events after the reporting period

No events have occured after the reporting period, that influence the evaluation of the parent company financial statements.

Statements and other information

Statements

Other information[1]

[1] Part of Management's review

Statement by Management on the annual report

The Board of Directors and the Board of Management have today considered and adopted the annual report of ALK-Abelló A/S for the financial year 1 January to 31 December 2024.

The consolidated financial statements have been prepared in accordance with IFRS accounting standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. Management's review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position at 31 December 2024 of the group and the parent company and of the results of the group and parent company operations and consolidated cash flows for the financial year 1 January to 31 December 2024.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the group and the parent company, of the results for the year, and of the financial position of the group and the parent company, as well as a description of the most significant risks and elements of uncertainty which the group and the parent company are facing.

Additionally, the Sustainability Statement, which is part of Management's review, has been prepared, in all material respects, in accordance with paragraph 99 a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in section "Description of the process to identify and assess material impacts, risks and opportunities". Furthermore, disclosures in subsection "EU Taxonomy" in the environmental section of the Sustainability Statement are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

The year 2024 marks the initial implementation of paragraph 99 a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the Sustainability Statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of ALK-Abelló A/S for the financial year 1 January to 31 December 2024 with the file name alk-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the annual report be adopted at the annual general meeting.

Hørsholm, 19 February 2025

Board of Management

Peter Halling
President & CEO

Claus Steensen Sølje
Executive Vice President & CFO

Søren Niegel
Executive Vice President, Commercial Operations

Henriette Mersebach
Executive Vice President, Research & Development

Board of Directors

Anders Hedegaard
Chair

Lene Skole
Vice Chair

Gitte Aabo

Lars Holmqvist

Jesper Høiland

Bertil Lindmark

Alan Main

Katja Barnkob

Nanna Rassov Carlson

Lise Lund Mærkedahl

Johan Smedsrud

Independent Auditor's Reports

To the shareholders of ALK-Abelló A/S

Report on the audit of the Financial Statements

Our opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited
The Consolidated Financial Statements (pp 106-145) and the Parent Company Financial Statements (pp 146-156) of ALK-Abelló A/S for the financial year 1 January to 31 December 2024 comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company, and statement of comprehensive income and cash flow statement for the Group. Collectively referred to as the "Financial Statements".

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment
We were first appointed auditors of ALK-Abelló A/S on 11 March 2020 for the financial year 2020. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 5 years including the financial year 2024.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition and related sales deductions The Group sells products in certain markets subject to various rebate and discount arrangements and mandated price adjustments schemes. These arrangements and schemes result in deductions to gross revenue in arriving at net revenue and in accruals for estimated sales deductions. We focused on these areas as accounting for rebates, discounts and mandated price adjustments is complex and requires a high degree of estimation by Management. This includes the estimation uncertainty regarding accruals for estimated sales deductions. We refer to note 2.1 in the consolidated financial statements.	We discussed the policies for revenue recognition, including accounting for rebates, discounts and mandated price adjustments with Management. We performed risk assessment procedures to obtain an understanding of the IT systems, business processes and relevant controls for revenue recognition and related sales deductions. We assessed whether the controls were designed and implemented to effectively address the risk of material misstatement. We evaluated and challenged the assumptions and estimates, including methods, data and assumptions used for calculating rebates, discounts and mandated price adjustments and accruals for sales deductions. We assessed the appropriateness of the related disclosure provided in the consolidated financial statements.

Statement on Management's Review
Management is responsible for Management's Review (pp 1-105 and 164).

Our opinion on the Financial Statements does not cover Management's Review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the Sustainability Statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the Sustainability Statement, cf. above. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of ALK-Abelló A/S for the financial year 1 January to 31 December 2024 with the filename alk-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements including notes.

In our opinion, the annual report of ALK-Abelló A/S for the financial year 1 January to 31 December 2024 with the file name alk-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 19 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard
State Authorised Public Accountant
mne23331

Kim Tromholt
State Authorised Public Accountant
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Independent auditor's limited assurance report on the Sustainability Statement

To the stakeholders of ALK-Abelló A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the sustainability statement of ALK-Abelló A/S (the "Group") included in Management's Review, page 36-105, for the financial year 1 January – 31 December 2024 (the "Sustainability Statement").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by Management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in section "Description of the process to identify and assess material impacts, risks and opportunities"; and
- compliance of the disclosures in subsection "EU Taxonomy" within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement* section of our report.

Our independence and quality management
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management's responsibilities for the Sustainability Statement
Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with ESRS and for disclosing this Process as included in section "Description of the process to identify and assess material impacts, risks and opportunities" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with ESRS;
- preparing the disclosures as included in subsection "EU Taxonomy" of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement
In reporting forward-looking information in accordance with ESRS, Management is required to prepare forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement
Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in section "Description of the process to identify and assess material impacts, risks and opportunities" of the Sustainability Statement.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by Management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in section "Description of the process to identify and assess material impacts, risks and opportunities" of the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement, including the consolidation processes, by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed limited substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Financial Statements and Management's Review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Other matter
The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this limitation of scope.

Hellerup, 19 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard
State Authorised Public Accountant
mne23331

Kim Tromholt
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Financial highlights and key ratios by quarter for the ALK Group[1] (unaudited)

Amounts in DKKm	2024	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited
Income statement					
Revenue	5,537	1,499	1,313	1,374	1,351
Cost of sales	1,985	545	471	507	462
Research and development expenses	531	167	109	125	130
Sales and marketing expenses	1,564	474	349	387	354
Administrative expenses	369	108	78	93	90
Other operating items, net	3	-	-	2	1
Operating profit (EBIT)	1,091	205	306	264	316
Net financial items	(34)	(7)	(25)	5	(7)
Profit before tax (EBT)	1,057	198	281	269	309
Net profit	815	170	212	201	232
EBITDA	1,363	281	369	331	382
Average number of employees (FTE)	2,789	2,812	2,778	2,811	2,828

Revenue (Growth in revenue in local currency %)	2024	%	Q4	%	Q3	%	Q2	%	Q1	%
Europe	**3,914**	**(22)**	**1,138**	**(22)**	**884**	**(21)**	**900**	**(25)**	**992**	**(18)**
– SLIT-tablets	2,080	(31)	612	(32)	450	(27)	487	(35)	531	(28)
– SCIT/SLIT-drops	1,568	(10)	470	(11)	354	(5)	345	(15)	399	(9)
– Other products and services	266	(32)	56	(37)	80	(91)	68	(12)	62	(7)
North America	**906**	**(0)**	**235**	**(-7)**	**219**	**(3)**	**241**	**(3)**	**211**	**(2)**
– SLIT-tablets	209	(15)	48	(-2)	46	(13)	61	(29)	54	(20)
– SCIT/SLIT-drops	361	(0)	97	(-5)	89	(4)	92	(4)	83	(-4)
– Other products and services	336	(-7)	90	(-11)	84	(-4)	88	(-9)	74	(-3)
International markets	**717**	**(4)**	**126**	**(-25)**	**210**	**(27)**	**233**	**(32)**	**148**	**(-18)**
– SLIT-tablets	562	(9)	135	(-17)	138	(39)	168	(25)	121	1
– SCIT/SLIT-drops	123	(-18)	(15)	(-3,964)	67	(7)	53	(55)	18	(-66)
– Other products and services	32	(17)	6	(-9)	5	(20)	12	(51)	9	(9)
Total revenue	**5,537**	**(15)**	**1,499**	**(11)**	**1,313**	**(18)**	**1,374**	**(21)**	**1,351**	**(10)**
– SLIT-tablets	2,851	(24)	795	(17)	634	(29)	716	(32)	706	(22)
– SCIT/SLIT-drops	2,052	(6)	552	(5)	510	(5)	490	(16)	500	(-1)
– Other products and services	634	(7)	152	(2)	169	(26)	168	(1)	145	(1)

Amounts in DKKm	2024	Q4 unaudited	Q3 unaudited	Q2 unaudited	Q1 unaudited
Balance sheet					
Total assets	8,246	8,246	7,149	7,045	6,784
Invested capital	5,003	5,003	4,056	4,025	3,935
Equity	5,373	5,373	5,086	4,919	4,690
Cash flow and investments					
Cash flow from operating activities	1,213	453	218	259	283
Cash flow from investing activities	(1,417)	(1,082)	(65)	(98)	(172)
– of which investment in intangible assets	(1,043)	(1,009)	(11)	(13)	(10)
– of which investment in tangible assets	(260)	(73)	(54)	(84)	(49)
– of which acquisitions and operations	(115)	-	-	-	(115)
Free cash flow	(204)	(629)	153	161	111
Information on shares					
Dividend	-	-	-	-	-
Share capital	111	111	111	111	111
Shares in thousands of DKK 0.50 each	222,824	222,824	222,824	222,824	222,824
Share price, end period – DKK	159	159	172	153	124
Net asset value per share – DKK	24	24	23	22	21
Key figures					
Gross margin – %	64	64	64	63	66
EBIT margin - %	20	14	23	19	23
Earnings per share (EPS) – DKK	3.7	0.8	1.0	0.9	1.1
Earnings per share diluted (DEPS) – DKK	3.7	0.8	1.0	0.9	1.1
Cash flow per share (CFPS) – DKK	1.4	(2.1)	1.0	1.2	1.3
Share price/Net asset value	6.6	6.6	7.5	6.9	5.9

[1] Management's review comprises this page as well as pages 1-105 and Financial highlights and key ratios for the ALK Group on page 20.

Definitions: see page 145.

Design and production: **Noted**

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