

ALK delivers 10% organic revenue growth with operating profit up 41% in Q1 and upgrades outlook

The growth in ALK's overall sales was primarily driven by the European tablet sales, which were boosted by the inflow of new patients and improved pricing. Sales outside Europe had a soft start to the year, partly due to temporary sales fluctuations and phasing of product shipments to International markets. Outlook for full-year revenue growth now expected at 10-13% (previously 9-12%).

Performance highlights

Comparative figures for Q1 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated.

- ▶ Total revenue increased by 10% in local currencies to DKK 1,351 million (1,234).
- ▶ Tablet sales increased by 22% to DKK 706 million (581) on 28% growth in Europe, 20% growth in North America and 1% growth in International markets which was impacted by phasing of shipments to Japan.
- ▶ Combined SCIT and SLIT-drops sales decreased 1% to DKK 500 million (510). Robust growth in European sales was offset by fluctuations in SCIT shipments to China and lower SCIT sales in North America.
- ▶ Sales of Other products and services increased 1% to DKK 145 million (143). Jext[®] sales increased by 10% and is normalising after the intermittent supply shortages that impacted sales in Q2-Q4 2023.
- ▶ Revenue increased 18% in Europe and 2% in North America and decreased 18% in International markets.
- ▶ Operating profit (EBIT) increased by 41% in local currencies to DKK 316 million (228), with an EBIT margin of 23% (18%). Progress was driven by sales growth, improved gross margin and prudent costs management leading to largely unchanged capacity costs to R&D, Sales, Marketing and Administration.

Financial performance for the first three months 2024

In DKKm	3M 2024	3M 2023	Growth (local currencies)	Growth (reported)
Revenue	1,351	1,234	10%	9.5%
EBIT	316	228	41%	39%
EBIT margin – %	23%	18%		

Strategic highlights

- ▶ ALK made progress with its strategic priorities in Q1. ALK is in the process of securing regulatory approvals to expand the product approvals for its house dust mite and tree pollen allergy tablets to include children. Launch preparations continue to progress as planned ahead of the expected launches in 2024/25.
- ▶ The strategy review is still ongoing and ALK will present the updated strategy and new long-term financial aspirations at a Capital Markets Day on June 4, 2024 at the company's headquarters in Denmark.
- ▶ ALK is implementing a number of optimisation and prioritisation initiatives in 2024 to free up approximately DKK 250 million in 2025 for strategic growth investments and support of its earnings ambitions. These initiatives are expected to entail one-off costs of approximately DKK 60 million in 2024, that have been included in the earnings outlook which is unchanged.

2024 full-year outlook

With reference to Company Announcement no 10/2024, released earlier today, the full-year financial outlook has been upgraded mainly to reflect the recent development in European tablet sales:

- ▶ Revenue is now expected to grow by 10-13% (previously: 9-12%) organically in local currencies on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is still expected to improve to 17-19% (up from 14% last year) on sales growth, efficiencies, and lower R&D costs. One-off costs of DKK ~60 million to optimisation efforts are now included in this guidance.

Commenting on the Q1 results, CEO Peter Halling said: *“2024 started well for ALK. Revenue in Q1 was up 10%, and the operating profit increased significantly on operational leverage and prudent cost management. We are pleased to see European tablet sales continue to rebound adding to the good momentum we established in the second half of 2023. As part of our ongoing strategy review, we are implementing a number of optimisation measures in order to free up resources to reinvest in strategic growth initiatives without compromising our profitability ambitions.”*

Hørsholm, 02 May 2024

ALK-Abelló A/S

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ALK is hosting a conference call for analysts and investors at **12.30 p.m. (CET)** on 3 May 2024 at which Management will review the financial results and the outlook. The conference call will be audio cast on <https://ir.alk.net> where the relevant presentation will be available shortly before the call begins.

To register for the conference call, please use this link <https://dpregrister.com/sreg/10187885/fc17991254> 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. We advise you to register well in advance and to call in before **12.25 p.m. (CET)**.

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	3M 2024	3M 2023	Full year 2023
Income statement			
Revenue	1.351	1.234	4.824
<i>Revenue growth (local currencies)</i>	10%	7%	9%
<i>Revenue growth (reported)</i>	9%	7%	7%
Operating profit (EBIT)	316	228	666
<i>EBIT growth (local currencies)</i>	41%	11%	50%
<i>EBIT growth (reported)</i>	39%	6%	42%
Operating profit before depreciation (EBITDA)	382	288	911
Net financial items	(7)	(11)	(19)
Profit before tax (EBT)	309	217	647
Net profit	232	163	486
Average number of employees (FTE)	2.828	2.712	2.752
Balance sheet			
Total assets	6.784	6.356	6.726
Invested capital	3.935	3.486	3.765
Equity	4.690	4.118	4.447
Cash flow and investments			
Cash flow from operating activities	283	154	667
Cash flow from investing activities	(172)	(91)	(375)
- of which investment in intangible assets	(10)	(17)	(69)
- of which investment in tangible assets	(49)	(74)	(310)
- of which acquisitions of companies and operations	(115)	-	-
Free cash flow	111	63	292
Information on shares			
Share capital	111	111	111
Shares in thousands of DKK 0.5 each	222.824	222.824	222.824
Share price, end of period	124	106	101
Net asset value per share	21	18	20
Key figures			
Gross margin – %	66	65	63
EBIT margin – %	23	18	14
Equity ratio – %	69	65	66
Earnings per share (EPS)	1,1	0,7	2,2
Earnings per share (DEPS), diluted	1,1	0,7	2,2
Share price/Net asset value	5,9	5,7	5,1

INCOME STATEMENT

Amounts in DKKm	3M 2024	% of revenue	3M 2023	% of revenue
Revenue	1.351	100	1.234	100
Cost of sales	462	34	435	35
Gross profit	889	66	799	65
Research and development expenses	130	10	158	13
Sales, marketing and administrative expenses	444	33	413	34
Other operating items, net	1	0	-	-
Operating profit (EBIT)	316	23	228	18
Net financial items	(7)	0	(11)	(1)
Profit before tax (EBT)	309	23	217	17
Tax on profit	77	6	54	4
Net profit	232	17	163	13
Operating profit before depreciation and amortisation (EBITDA)	382	28	288	23

STRATEGIC PRIORITIES

Ongoing strategy review

As previously announced, ALK is in the process of updating its current business strategy which was put in place in 2017. The overall strategic direction will be unchanged, and the goal is to sustain high revenue growth by expanding ALK's global leadership in respiratory AIT and bolster the longer-term growth trajectory by diversifying ALK's portfolio into relevant adjacent therapeutic areas.

The ongoing review still confirms the ambition of achieving an EBIT margin of around 25% in 2025.

ALK is implementing a number of optimisation and prioritisation initiatives in 2024 to free up approximately DKK 250 million in 2025 that will partly be reinvested in strategic growth investments and partly support its 2025 ambitions. These initiatives are expected to entail one-off costs of approximately DKK 60 million in 2024. Part of this is related to a reduction in workforce. ALK estimates that around 125 positions will be eliminated through a combination of redundancies and natural attrition. These optimisations will enable ALK to make focused growth investments.

Focus is now on finalising the strategy review and detailing plans for its implementation. ALK will present the updated strategy and new long-term financial aspirations at a Capital Markets Day on June 4, 2024, at its headquarters in Hørsholm, Denmark.

Progress on current strategic priorities

Progress was made in Q1 with ALK's current strategic priorities.

Based on last year's successful paediatric trials with the house dust mite (HDM) and tree pollen allergy tablets, ALK is working to secure regulatory approvals to expand the product indications to include young **children**.

An application for the house dust mite ('HDM') tablet in Europe (ACARIZAX[®]) is currently under review by the authorities, so that, subject to approval, this tablet could become available for children, aged five to 11, in Europe late 2024/2025. The application for the HDM tablet in the USA (ODACTRA[®]) will shortly be submitted to the US Food and Drug Administration and, subject to approval, this tablet could become available for children, aged five to 11, in the USA in 2025. ALK has also recently submitted a similar application to Health Canada.

ALK still expects to submit registration applications for paediatric use of its tree tablet ITULAZAX[®] (ITULATEK[®] in Canada) around mid this year. Subject to approval, the tree tablet could become available for children and adolescents in 2025 in Canada and Europe, respectively.

The commercial organisation continues their launch preparations which remain on track.

In **Japan**, ALK's partner Torii has launched initiatives to expand manufacturing capacity for the active ingredients of the cedar pollen tablet, CEDARCURE[™]. Short-term initiatives include a scheme to increase cedar pollen collection volumes, efforts to increase production yields as well as upscaling of drug substance manufacturing capacity.

The additional drug manufacturing capacity is expected to become operational in 2025.

In **China**, the regulatory review of ALK's application for the HDM tablet is ongoing. Subject to approval, the tablet could become available in China in 2025.

ALK's phase I trial with the tablet for **peanut allergy** has progressed into its second part and is progressing according to plans. A provisional decision has been made to extend the trial with a third part to explore the tablet's efficacy, as well.

To facilitate the planned growth in global tablet sales, efforts are on track to expand **manufacturing capacity**. Work to update and further **standardise** the portfolio of legacy products also progressed.

Q1 SALES AND MARKET TRENDS

(Comparative figures for Q1 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

Revenue by geography

DKKm	Q1 2024	Growth*	Share of revenue	Q1 2023
Europe	992	18%	73%	837
North America	211	2%	16%	209
Int'l markets	148	-18%	11%	188
Revenue	1,351	10%	100%	1,234

* In local currencies

Europe

Revenue in Europe exceeded expectations and increased by 18% in local currencies to DKK 992 million (837) on growth in all product lines. In the main markets, robust growth was seen in Germany, the Nordic countries, Benelux, and Switzerland. Growth was seen in almost all other markets.

European tablet sales increased by 28% against a weak quarter last year. The growth was primarily due to higher volumes driven by a strong inflow of new patients during the past initiation season in ALK's main markets in central and northern Europe. ALK has further progressed its efforts to activate patients, prescribers, and payers. Additionally, the ongoing market transition towards evidence-based, registered products in Germany has benefited ALK further. Growth was also positively influenced by price and rebate adjustments, including the reversal of last year's mandatory rebate increase in Germany which influenced tablet growth positively with more than 2 percentage points. Furthermore, ALK observed that Q1 sales were less influenced by trading patterns at wholesaler levels than previously.

Combined sales of SCIT/SLIT-drops increased by 9%. The sales of SLIT-drops, which are mainly marketed in France, experienced a slight increase whereas SCIT sales grew by double-digits. This growth in SCIT sales was further supported by the market transition in

Germany as mentioned earlier and the momentum established last year in SCIT venom subsegment.

Sales of Other products and services (the adrenaline pen Jext[®], diagnostics, etc.) increased by 7%. Jext[®] sales increased and the market supply is currently normalizing after facing challenges from Q2 to Q4 of 2023. These challenges were caused by issues at a contract manufacturer that restricted ALK's ability to supply the product to the markets.

North America

Revenue in North America increased by 2% in local currencies to DKK 211 million (209).

Tablet sales increased by 20% and was positively influenced by higher realised selling prices in the USA.

Sales of bulk allergen extracts (SCIT) to US allergists, fell short of expectations with a 4% decrease. Sales of Other products (diagnostics, PRE-PEN[®] and life science products) also fell short of expectations and decreased by 3%. The integration of the newly acquired PRE-PEN[®] operation progressed as planned, although sales were temporarily impacted by stocking at wholesalers prior to ALK's take-over. PRE-PEN[®] is approved by the US FDA for diagnosis of penicillin allergy.

International markets

Revenue in International markets decreased by 18% in local currencies to DKK 148 million (188). This decline can primarily be attributed to timing of product shipments to Japan and China, which are the largest markets in the region.

Tablet sales showed marginal growth and is mainly consisting of revenue from Japan covering both product shipments and sales royalties which was largely unchanged compared to last year. Despite this, the in-market tablet sales grew by double-digits which was as expected in light of intermittent capacity limitations at Torii.

Revenue from China, specifically from SCIT product shipments, experienced a high double-digit decline due to shipment delays. However, despite this decline, Chinese in-market sales of SCIT products is developing according to plan and continued to show double-digit growth based on the inventories accumulated in 2023. Growth was also seen in the region's minor markets.

Global revenue by product line

DKKm	Q1 2024	Growth*	Share of revenue	Q1 2023
SLIT-tablets	706	22%	52%	581
SCIT/SLIT-drops	500	-1%	37%	510
Other products	145	1%	11%	143
Revenue	1,351	10%	100%	1,234

* In local currencies

Q1 FINANCIAL REVIEW

(Comparative figures for Q1 2023 are shown in brackets.
Revenue growth rates are stated in local currencies, unless otherwise indicated)

Revenue increased by 10% in local currencies at DKK 1.351 million (1,234). Exchange rates impacted reported revenue growth negatively by 0.5 percentage point.

Cost of sales increased 6% in local currencies to DKK 462 million (435). The **gross profit** of DKK 889 million (799) yielded an improved gross margin of 66% (65%), mainly reflecting sales mix, higher sales volumes, production efficiencies, and the reversal of the German rebate increase. These positive factors were somewhat offset by inflationary pressures. ALK continued to implement its product and site strategy, investing in upgrading products and facilities to secure quality and robustness in product supply.

Capacity costs increased 1% in local currencies to DKK 574 million (571). R&D expenses decreased 18% in local currencies to DKK 130 million after last year's completion of late-stage clinical trials. Sales and marketing expenses were up 4% in local currencies to DKK 354 million, reflecting high activity levels across markets, while administration costs increased 27% to DKK 90 million mainly on one-off costs associated with the ongoing projects.

EBIT (operating profit) improved 41% in local currencies to DKK 316 million (228), raising the EBIT margin from 18% to 23%. Progress was due to higher sales, improved gross margin and a lower capacity cost-to-revenue ratio – the ratio was down to 42% (46%). Exchange rates impacted growth in reported EBIT negatively by 2 percentage points.

Net financials showed a loss of DKK 7 million (a loss of 11) related to interest expenses and currency losses.

Tax on the profit totalled DKK 77 million (54), and the **net profit** increased to DKK 232 million (163).

Cash flow from operating activities was DKK 283 million (154), as higher earnings were partly offset by changes in working capital, mainly related to planned inventory build-up to support revenue growth. **Cash flow from investment activities** was DKK minus 172 million (minus 91) as ALK continued to build-up capacity for tablet production, upgrade its legacy production, and invest in the next generation adrenaline auto-injector. It also included the acquisition of the PRE-PEN[®] pencilling diagnostic product. **Free cash flow** was positive at DKK 111 million (positive at 63).

Cash flow from financing was DKK minus 296 million (minus 93), mainly related to repayment of loans.

At the end of March, ALK held 1,491,873 of its **own shares**, or 0.7% of the share capital, unchanged compared to year-end, and the end of March 2023.

Equity totalled DKK 4.690 million (4,118) at the end of March, and the equity ratio was 69% (65%).

OUTLOOK FOR 2024

With reference to Company Announcement no 10/2024, the full-year financial outlook has been upgraded mainly to reflect the recent development in European tablet sales:

- ▶ Revenue is now expected to grow by 10-13% (previously: 9-12%) organically in local currencies on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is still expected to improve to 17-19% (up from 14% last year) on sales growth, efficiencies, and lower R&D costs. One-off costs of DKK ~60 million to optimisation efforts are now included in this guidance.

The outlook is based on the following assumptions:

Revenue

Tablet sales are expected to grow by double digits, fuelled by expansion of patient and prescriber bases, market share gains and the shift towards evidence-based medicine in key markets. European tablet sales growth is set to rebound to a level significantly above the growth in 2023, driven by an increased inflow of new patients and improved pricing. Tablet sales in North America and International markets are expected to see continued growth. However, growth from Japan is still expected to be somewhat lower than in 2023, mainly attributable to intermittent capacity limitations at ALK's partner. Some fluctuations in quarterly sales are expected, primarily influenced by the timing of product supply to Japan.

Combined sales of SCIT/SLIT-drops are still expected to see growth, led by SCIT, although at a lower rate compared to 2023, which was influenced by improved pricing in Europe. Full-year growth is now expected to be attributed mainly to higher sales in Europe whereas sales in North America and International markets will be lower than previously anticipated.

As supply of Jext[®] normalizes, sales of other products are still expected to see growth, although at a lower level than previously assumed, mainly due to the recent development in the sales of other products in North America.

Margins

The gross margin is expected to be slightly above that for 2023. The margin will benefit from increased sales volumes, enhanced efficiencies, and the reversal of the German rebate adjustment. These positive factors will be somewhat offset by inflationary pressures in product supply.

Capacity costs

The capacity cost-to-revenue ratio is still expected to further improve as ALK capitalises on existing platforms to enhance efficiencies and reduces R&D expenditure as well as implements optimisation measures identified during the strategy review. R&D expenses are still projected to decline to around 10% of the expected revenue. Sales and marketing expenses are expected to see single digit increases, while administrative expenses are expected to see a slight decline when excluding one-off costs associated with the ongoing strategy review.

The approximately DKK 60 million in one-off costs associated with optimisation initiatives, cf. page 4, are factored into the guidance.

Other assumptions

- ▶ The European AIT markets are generally expected to be stable. Exceptions include the reversal of last year's mandatory rebate increase in Germany and the possibility of minor adjustments in select Southern European markets.
- ▶ Respiratory infection waves across markets are not assumed to materially affect capacity at allergy clinics or patient behaviour, nor are they likely to impact ALK's activities.
- ▶ Changes in consumers' spending power are not expected to materially affect demand for AIT.
- ▶ When excluding the acquisition of PRE-PEN®, free cash flow is projected to increase. CAPEX investments are projected at around DKK 400 million, and ALK expects to continuously build up inventories in support of revenue growth.

- ▶ The outlook does not include any revenue from acquisitions, new partnerships or in-licensing of products and services, nor does it include payments in relation to M&A or in-licensing.
- ▶ The outlook is based on current exchange rates, resulting, resulting in an immaterial currency effect on reported growth in revenue and EBIT.

RISK FACTORS

This interim report contains forward-looking statements, including forecasts of future revenue, operating profit and cash flow, as well as expected business-related events. Such statements are, by their very nature, subject to risks and uncertainties, as various factors, some of which are beyond the control of ALK, may cause actual results and performance to differ materially from the forecasts made in this report. Without being exhaustive, such factors include, e.g., consequences of the 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, and reliance on suppliers. 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 existing and future products, as allergy immunotherapy may be associated with allergic reactions of differing extents, durations, and severities.

Financial calendar

Capital Markets Day	4 June 2024
Silent period	26 July 2024
Six-month interim report (Q2)	23 August 2024
Silent period	17 October 2024
Nine-month interim report (Q3)	14 November 2024

R&D TABLET PORTFOLIO STATUS

ALK aims to globalise a portfolio of SLIT-tablets for all relevant ages, covering five of the most common respiratory allergies: house dust mite, grass, tree, ragweed and Japanese cedar and the most common food allergy, peanut.

Ongoing clinical trials and regulatory approvals

Product	Age groups and indications	Phase I	Phase II	Phase III	Filing
ACARIZAX [®] China	Adults – Allergic rhinitis (HDM)				
ACARIZAX [®] / ODACTRA [®] Europe & North America	Children – Allergic rhinitis (HDM)				
ITULAZAX [®] / ITULATEK [™] Europe & Canada	Children – Allergic rhinitis (tree: birch family)				
Peanut SLIT-tablet North America & Europe	Adults, adolescents, and children Food allergy (accidental peanut exposure)				

Product approvals

Product	Age groups and indications	Marketed
GRAZAX [®] / GRASTEK [®] Europe, North America & International markets	Adults and children – Allergic rhinitis (grass)	2007-17
RAGWIZAX [®] / RAGWITEK [®] Europe, North America & International markets	Adults and children – Allergic rhinitis (ragweed)	2014-21
ACARIZAX [®] Europe & International markets	Adults – Allergic rhinitis and allergic asthma (HDM) Adolescents – Allergic rhinitis (HDM)	2016-21
ACARIZAX [®] / ODACTRA [®] North America	Adults and adolescents – Allergic rhinitis (HDM)	2017-18
MITICURE [™] Japan*	Adults and children – Allergic rhinitis (HDM)	2015-18
ODACTRA [®] North America	Adolescents – Allergic rhinitis (HDM)	2023
CEDARCURE [™] Japan*	Adults and children – Allergic rhinitis (Japanese cedar)	2018
ITULAZAX [®] / ITULATEK [™] Europe & Canada	Adults – Allergic rhinitis (tree: birch family)	2019-20

* Licensed to Torii for Japan

STATEMENT BY MANAGEMENT

The Board of Directors and Board of Management today considered and approved the interim report of ALK-Abelló A/S for the period 1 January to 31 March 2024. The interim report has not been audited or reviewed by the company's independent auditor.

The consolidated interim report has been prepared in accordance with IAS 34 'Interim financial reporting' and additional Danish disclosure requirements for the presentation of quarterly interim reports by listed companies.

In our opinion, the interim report gives a true and fair view of the ALK Group's assets, equity and liabilities, financial position, results of operations and cash flow for the period 1 January to 31 March 2024. We further consider that the Management review in the preceding pages gives a true and fair statement of the development in the ALK Group's activities and business, the profit for the period and the ALK Group's financial position as a whole, and a description of the most significant risks and uncertainties to which the ALK Group is subject. Besides what has been disclosed in the interim report, no changes in the ALK Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report 2023.

Hørsholm, 2 May 2024

Board of Management

Peter Halling
President & CEO

Henriette Mersebach
Executive Vice President
Research & Development

Søren Daniel Niegel
Executive Vice President
Commercial Operations

Claus Steensen Sølje
CFO & Executive Vice President

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Anders Hedegaard
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Lars Holmqvist

Jesper Høiland

Bertil Lindmark

Alan Main

Lise Lund Mærkedahl

Johan Smedsrud

INCOME STATEMENT FOR THE ALK GROUP

Amounts in DKKm	3M 2024	3M 2023
Revenue	1.351	1.234
Cost of sales	462	435
Gross profit	889	799
Research and development expenses	130	158
Sales and marketing expenses	354	343
Administrative expenses	90	70
Other operating items, net	1	-
Operating profit (EBIT)	316	228
Net financial items	(7)	(11)
Profit before tax (EBT)	309	217
Tax on profit	77	54
Net profit	232	163
Earnings per share (EPS)		
Earnings per share (EPS)	1,1	0,7
Earnings per share (DEPS), diluted	1,1	0,7

STATEMENT OF COMPREHENSIVE INCOME

Amounts in DKKm	3M 2024	3M 2023
Net profit	232	163
Other comprehensive income		
<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>		
Foreign currency translation adjustment of foreign affiliates	27	(22)
Total comprehensive income	259	141

CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	3M 2024	3M 2023
Net profit	232	163
Adjustments for non-cash items (note 3)	160	133
Changes in working capital	(82)	(122)
Financial income, received	4	2
Financial expenses, paid	(5)	(6)
Income taxes, paid (net)	(26)	(16)
Cash flow from operating activities	283	154
Acquisitions of companies and operations	(115)	-
Investments in intangible assets	(10)	(17)
Investments in tangible assets	(49)	(74)
Investments in other financial assets	2	-
Cash flow from investing activities	(172)	(91)
Free cash flow	111	63
Exercised share options, paid	(20)	(17)
Repayment of lease liabilities	(10)	(12)
Repayment of borrowings	(266)	(64)
Cash flow from financing activities	(296)	(93)
Net cash flow	(185)	(30)
Cash beginning of year	474	221
Unrealised gains/(losses) on cash held in foreign currency and financial assets carried as cash	2	-
Net cash flow	(185)	(30)
Cash end of period	291	191

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 FOR THE ALK GROUP

Amounts in DKKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current assets			
Intangible assets			
Goodwill	461	459	459
Other intangible assets	330	189	212
	791	648	671
Tangible assets			
Land and buildings	1.011	982	994
Plant and machinery	502	442	511
Other fixtures and equipment	78	75	80
Property, plant and equipment in progress	636	547	596
	2.227	2.046	2.181
Other non-current assets			
Prepayments	39	83	49
Deferred tax assets	651	724	659
Income tax receivables	209	204	198
	899	1.011	906
Total non-current assets	3.917	3.705	3.758
Current assets			
Inventories	1.493	1.320	1.423
Trade receivables	864	836	816
Receivables from group companies	-	18	-
Income tax receivables	33	24	34
Other receivables	53	60	74
Prepayments	133	202	147
Cash	291	191	474
	2.867	2.651	2.968
Total current assets	2.867	2.651	2.968
Total assets	6.784	6.356	6.726

BALANCE SHEET - EQUITY AND LIABILITIES FOR THE ALK GROUP

Amounts in DKKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
Equity			
Share capital	111	111	111
Currency translation adjustment	9	(2)	(18)
Retained earnings	4.570	4.009	4.354
Total equity	4.690	4.118	4.447
Liabilities			
Non-current liabilities			
Mortgage debt	180	199	184
Pensions and similar liabilities	247	238	245
Lease liabilities	271	232	255
Provisions	1	-	1
Deferred tax liabilities	5	1	4
Deferred income	46	49	46
Income tax payables	231	203	230
	981	922	965
Current liabilities			
Mortgage debt	19	18	19
Bank loans	-	149	261
Trade payables	134	125	128
Lease liabilities	48	41	46
Deferred income	4	4	4
Provisions	3	4	2
Income taxes payables	72	63	17
Other payables	833	912	837
	1.113	1.316	1.314
Total liabilities	2.094	2.238	2.279
Total equity and liabilities	6.784	6.356	6.726

EQUITY FOR THE ALK GROUP

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
Equity at 1 January 2024	111	(18)	4.354	4.447
Net profit	-	-	232	232
Other comprehensive income	-	27	-	27
Total comprehensive income	-	27	232	259
Share-based payments	-	-	8	8
Share options settled	-	-	(20)	(20)
Tax related to items recognised directly in equity	-	-	(4)	(4)
Other transactions	-	-	(16)	(16)
Equity at 31 March 2024	111	9	4.570	4.690
Equity at 1 January 2023	111	20	3.857	3.988
Net profit	-	-	163	163
Other comprehensive income	-	(22)	-	(22)
Total comprehensive income	-	(22)	163	141
Share-based payments	-	-	5	5
Share options settled	-	-	(17)	(17)
Tax related to items recognised directly in equity	-	-	1	1
Other transactions	-	-	(11)	(11)
Equity at 31 March 2023	111	(2)	4.009	4.118

NOTES

1 ACCOUNTING POLICIES

This non-audited interim report for the first three months of 2024 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies. The Interim report for the first three months of 2024 follows the same accounting policies as the annual report for 2023, except for new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2024. These IFRSs have not had any impact on the Group's interim report.

NOTES

2 REVENUE AND SEGMENT INFORMATION

Amounts in DKKm	Europe		North America		International Markets		Total	
	3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023
SLIT-tablets	531	414	54	45	121	122	706	581
SCIT/SLIT-drops	399	366	83	87	18	57	500	510
Other products and services	62	57	74	77	9	9	145	143
Total revenue	992	837	211	209	148	188	1.351	1.234
Sale of goods							1.326	1.212
Royalties							25	22
Services							-	-
Total revenue							1.351	1.234

Growth, 3M 2024	Europe		North America		International Markets		Total	
	Organic growth local currencies	Growth	Organic growth local currencies	Growth	Organic growth local currencies	Growth	Organic growth local currencies	Growth
SLIT-tablets	28%	28%	20%	20%	1%	-1%	22%	22%
SCIT/SLIT-drops	9%	9%	-4%	-5%	-66%	-68%	-1%	-2%
Other products and services	7%	9%	-3%	-4%	9%	0%	1%	1%
Total revenue	18%	19%	2%	1%	-18%	-21%	10%	9%

Geographical markets (based on customer location):

- o Europe comprises the EU, the UK, Norway and Switzerland
- o North America comprises the USA and Canada
- o International markets comprise Japan, China and all other countries

NOTES

3 ADJUSTMENTS FOR NON-CASH ITEMS

Amounts in DKKm	3M 2024	3M 2023
Tax on profit	77	54
Financial income and expenses	7	11
Share-based payments	8	5
Depreciation, amortisation and impairment	66	60
Other adjustments	2	3
Total	160	133

4 ACQUISITION OF OPERATION

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.

The transaction is on a debt and cash free basis. No liabilities were transferred.

AllerQuest was previously a supplier of the ALK Group and will be fully integrated into ALK during 2024. The integration of the activities is ongoing and the allocation of the preliminary values could be subject to change.

CONSOLIDATED FAIR VALUES OF ACQUISITIONS

Amounts in DKKm	
Tangible assets and inventory	7
Product rights	118
Acquisition cost	125
Contingent considerations	(10)
Cash acquisition cost	115