

**ALK delivers Q3 sales growth of 20%, with tablet sales up 41%**

ALK's revenue grew strongly during Q3 following broad-based growth in all of its regions. Total revenue increased 20% for the quarter, as tablet sales growth surged to 41% and legacy products continued their sales recovery as allergy markets normalised further. These positive results contributed to an EBITDA increase of 114% in reported currency. The outlook has been updated to reflect the year-to-date performance.

**Q3 2021 financial highlights**

- ▶ Total revenue was up 20% in local currencies at DKK 928 million (772).
- ▶ Tablet sales increased 41% to DKK 398 million (281) after strong growth in all regions, while combined SCIT and SLIT-drops sales grew 5%.
- ▶ Revenue growth in Europe increased to 15%, with North America up 23% and International markets up 51%.
- ▶ Operating profit (EBITDA) was ahead of expectations and increased 114% in reported currency to DKK 124 million (58), largely on the strong sales growth and improved gross margin, while R&D and sales and marketing costs increased as planned.
- ▶ Revenue for the first nine months was up 14% in local currencies, and EBITDA was up 20% in reported currency at DKK 398 million (331). Free cash flow improved to DKK 149 million (minus 67) driven by the earnings development, a milestone payment and other changes to working capital.

**Key events and strategic progress**

ALK continues to make good progress on its strategic priorities with highlights in Q3 including:

- ▶ In ALK's biggest market, Germany, ALK's position was further strengthened by the latest update to national drug prescription guidelines, reinforcing the recommendation to initiate new patients on registered AIT products.
- ▶ Early in Q4, ALK successfully completed a formulation feasibility study, confirming the suitability of the Zydis™ fast dissolving tablet technology for use in the clinical development of a peanut allergy product.
- ▶ ALK's supply chain, inventory levels and distribution channels remained robust despite the raw materials and logistical challenges that have been reported by multiple industries.

**2021 financial outlook**

Based on its performance in the first nine months, ALK has updated its full-year financial outlook to reflect improvement to both sales and gross margin. As a result:

- ▶ Revenue is now expected to grow 11-12% in local currencies (previously: 10-12).
- ▶ EBITDA is now expected to increase to DKK 500-550 million (previously: 450-500) with a gross margin improvement over last year of ~2 p.p. (previously: 1-2 p.p.). ALK still expects an unchanged increase in R&D expenses and a gradual normalisation of sales and marketing activities compared to last year, which was affected by COVID.
- ▶ Free cash flow is now expected to be positive at ~DKK 200 million (previously: ~minus 100) mainly reflecting the revised earnings outlook and timing of repayment of accrued rebates.

Hørsholm, 11 November 2021

**ALK-Abelló A/S**

*Comparative figures for 2020 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated*

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*Today, ALK is hosting a conference call for analysts and investors at 1.30 p.m. (CET) at which Management will review the financial results and the outlook. The conference call will be audio cast on <https://ir.alk.net>. Please call in before 1.25 p.m. (CET). Danish participants should call in on tel. +45 3544 5577 and international participants should call in on tel. +44 333 300 0804 or +1 631 913 1422. Please use the Participant Pin Code: 25705608#. The conference call will also be webcast live on our website, where the related presentation will be made available shortly before the call begins.*

## FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	9M 2021	9M 2020	Q3 2021	Q3 2020	Full year 2020
<b>Income statement</b>					
Revenue	2,817	2,500	928	772	3,491
Operating profit before depreciation (EBITDA)	398	331	124	58	395
Operating profit (EBIT)	213	159	55	6	150
Net financial items	(8)	(44)	(1)	(19)	(49)
Profit/(loss) before tax (EBT)	205	115	54	(13)	101
Net profit/(loss)	143	56	37	(20)	25
Average number of employees (FTE)	2,480	2,405	2,502	2,419	2,419
<b>Balance sheet</b>					
Total assets	5,718	5,573	5,718	5,573	5,563
Invested capital	2,908	2,827	2,908	2,827	2,664
Equity	3,314	3,203	3,314	3,203	3,153
<b>Cash flow and investments</b>					
Depreciations, amortisation and impairment	185	172	69	52	245
Cash flow from operating activities	310	106	99	(48)	301
Cash flow from investing activities	(161)	(173)	(78)	(46)	(245)
- of which investment in intangible assets	(22)	(11)	(11)	(7)	(26)
- of which investment in tangible assets	(136)	(137)	(67)	(39)	(196)
Free cash flow	149	(67)	21	(94)	56
<b>Information on shares</b>					
Share capital	111	111	111	111	111
Shares in thousands of DKK 10 each	11,141	11,141	11,141	11,141	11,141
Share price, end of period	2,698	2,098	2,698	2,098	2,500
Net asset value per share	297	287	297	287	283
<b>Key figures</b>					
Gross margin – %	60	58	60	55	58
EBITDA margin – %	14	13	13	8	11
Equity ratio – %	58	57	58	57	57
Earnings/(loss) per share (EPS)	13.0	5.1	3.4	(1.8)	2.3
Earnings/(loss) per share (DEPS), diluted	12.9	5.1	3.4	(1.8)	2.3
Share price/Net asset value	9.1	7.3	9.1	7.3	8.8

## INCOME STATEMENT

Q3 2021	%	Q3 2020	%	Amounts in DKKm	9M 2021	%	9M 2020	%
928	100	772	100	Revenue	2,817	100	2,500	100
369	40	344	45	Cost of sales	1,122	40	1,051	42
<b>559</b>	<b>60</b>	<b>428</b>	<b>55</b>	<b>Gross profit</b>	<b>1,695</b>	<b>60</b>	<b>1,449</b>	<b>58</b>
147	16	121	16	Research and development expenses	452	16	337	12
357	38	300	39	Sales, marketing and administrative expenses	1,031	37	952	38
-	-	(1)	(0)	Other operating income and expenses	1	0	(1)	(0)
<b>55</b>	<b>6</b>	<b>6</b>	<b>(0)</b>	<b>Operating profit/(loss) (EBIT)</b>	<b>213</b>	<b>7</b>	<b>159</b>	<b>8</b>
(1)	(0)	(19)	(2)	Net financial items	(8)	(0)	(44)	(3)
<b>54</b>	<b>6</b>	<b>(13)</b>	<b>(2)</b>	<b>Profit/(loss) before tax (EBT)</b>	<b>205</b>	<b>7</b>	<b>115</b>	<b>5</b>
17	2	7	1	Tax on profit/ (loss)	62	2	59	2
<b>37</b>	<b>4</b>	<b>(20)</b>	<b>(3)</b>	<b>Net profit/ (loss)</b>	<b>143</b>	<b>5</b>	<b>56</b>	<b>3</b>
<b>124</b>	<b>13</b>	<b>58</b>	<b>7</b>	<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>398</b>	<b>14</b>	<b>331</b>	<b>13</b>

## PROGRESS ON THE STRATEGIC PRIORITIES

ALK continued to make effective progress on its strategic priorities:

In Q3, ALK continued its progress towards sustainable high growth and improved profitability by executing on its four strategic priorities: succeed in North America, complete and commercialise the tablet portfolio, digital consumer engagement & new horizons, and optimise for excellence. Through these, ALK seeks to extend its leadership in respiratory allergy, expand its position in anaphylaxis, and establish a presence in food allergy.

In North America, tablet revenue grew 67%, primarily due to improved margins. However, sales volumes continued to be modest in the USA. ALK continues to build prescription depth among existing high prescribers, while working to increase adoption in other medical specialities.

Further clinical development of the tablets also continued, with the aim of securing registrations covering new geographies and additional patient groups. In Q3, recruitment for ALK's key paediatric clinical trials in house dust mite and tree pollen allergic rhinitis progressed as planned and will continue into 2022. Furthermore, ALK now expects to be able to conclude on the potential impact of COVID on its ongoing European and North American paediatric trial of the house dust mite tablet in allergic asthma by mid-2022 at the latest. Meanwhile, the Phase III registration trial for China of the house dust mite tablet in adult allergic rhinitis remains paused due to travel restrictions and ALK is in dialogue with the authorities in China to assess the possible next steps for this local

development programme, including alternative solutions.

In Q3, ALK continued to support its long-term sales and market expansion ambitions by developing and leveraging a digital ecosystem for consumers, patients and healthcare professionals. By the end of Q3, ALK had mobilised more than 300,000 consumers worldwide via its digital channels to take action on their allergies, with more than 40,000 of these in the USA. This was against full-year targets of 250,000 and 20,000, respectively. However, conversions of these mobilisations into prescriptions for AIT treatment remained at a low level. To address this, ALK continues to trial several concepts in various countries aimed at eliminating friction points on the path to an AIT prescription by better connecting the relevant patients with prescribers.

Work on the 'new horizons' priority also continued to advance. ALK recently successfully completed a formulation feasibility study, confirming the suitability of its tablet technology for use in the development of a peanut allergy product. This paves the way for the initiation of Phase I clinical development in the first half of 2022. Work also continued on two parallel adrenaline auto-injector projects, with the aim of a submission to the US Food and Drug Administration in 2024.

Efforts to further optimise the ALK business continued and, as part of its portfolio rationalisation efforts, so far in 2021, ALK has submitted a total of 1,334 regulatory changes covering 133 products to 40 regulatory authorities around the world.

In Q3, the cumulative value of ALK's optimisation efforts was further demonstrated as its supply chain, inventory levels and distribution channels remained robust despite the raw materials and logistical challenges that have been reported by multiple industries.

## Q3 SALES AND MARKET TRENDS

(Comparative figures for Q3 2020 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

### Revenue by geography

DKKm	Q3-2021	Growth*	Share of revenue	Q3-2020
Europe	640	15%	69%	556
North America	169	23%	18%	138
Int'l markets	119	51%	13%	78
<b>Revenue</b>	<b>928</b>	<b>20%</b>	<b>100%</b>	<b>772</b>

\* In local currencies

### Europe

Revenue in Europe increased by 15% in local currencies during Q3 to DKK 640 million (556), with tablets as the primary driver of growth, with sales up 32% overall. This was fuelled, in particular, by ITULAZAX® in Central and Northern Europe and by GRAZAX®, which continued to benefit from the halo effect of ITULAZAX® and the recent introduction of the ACARIZAX® adolescent indication in France.

In ALK's biggest market, Germany, ALK continued to increase its market share and its market position was further strengthened by a new update to the national drug prescription guidelines, reinforcing the recommendation that only documented, registered AIT products, should be prescribed for new patients.

Sales of SCIT and SLIT-drops increased 4% during the quarter, as a strong post-COVID recovery for SCIT products outweighed the expected decline in SLIT-drops sales due to the ongoing transition of some sales in France to tablets.

Income from other products was up 5% as sales of Jext® strengthened following a period of subdued growth.

### North America

Revenue in North America increased 23% in local currencies to DKK 169 million (138), boosted by a recovery in sales across the portfolio. Tablet sales were up 67%, while bulk SCIT products increased sales by 11% on the post-COVID return of patients to allergy clinics – although these have still not fully returned to pre-pandemic levels. Sales of other products increased 26%, led by penicillin diagnostics PRE-PEN® and life sciences products.

### International markets

Revenue from International markets increased 51% to DKK 119 million (78). In-market growth remained strong in the key markets of Japan and China. MITICURE™ and CEDARCURE™ benefitted from strong prescription trends in Japan for paediatric patients in particular. Meanwhile, in China, ALK's SCIT product for house dust mite allergy continues to build momentum. As previously noted, revenue in International markets is subject to occasional fluctuations due to the timing of shipments to Japan and China.

### Global revenue by product line

DKKm	Q3-2021	Growth*	Share of revenue	Q3-2020
SCIT and SLIT-drops	388	5%	42%	367
SLIT-tablets	398	41%	43%	281
Other products and services	142	15%	15%	124
<b>Revenue</b>	<b>928</b>	<b>20%</b>	<b>100%</b>	<b>772</b>

\* In local currencies

## 9M FINANCIAL REVIEW

(Comparative figures for 2020 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

**9M revenue** increased by 13% in reported currency to DKK 2,817 million (2,500). Exchange rate fluctuations reduced reported revenue growth by 1 percentage point. Planned product discontinuations, which mostly involved SCIT/SLIT-drops products in Europe during Q1, impacted overall growth negatively by ~1 percentage point. The effect was negligible in Q2 and Q3.

**Cost of sales** increased 8% in local currencies to DKK 1,122 million (1,051). The gross profit of DKK 1,695 million (1,449) yielded an improved gross margin of 60% (58%), and mainly reflected increased sales – especially from tablets in Europe – although this was somewhat reduced by increased shipments to Torii in Japan, which yield lower gross margins. ALK continues to see significant costs for compliance efforts to secure robustness in product supply, as well as the implementation of the product and site strategy.

**Capacity costs** increased 17% in local currencies to DKK 1,483 million (1,289). As planned, R&D expenses increased by 35% in local currencies in support of a planned increase in clinical trial activities. Sales and marketing expenses increased by 11% in local currencies, reflecting a gradual normalisation of activity levels following the impact of COVID on business activities, but also operational leverage of ALK's commercial activities. Administrative expenses increased 4% in local currencies.

**EBITDA (operating profit before depreciation and amortisation)** increased 20% in reported currency to DKK 398 million (331), driven by the higher sales and improving gross margin. Exchange rates had only a minor effect on operating profit.

**Net financials** were a loss of DKK 8 million (loss of 44), mainly relating to interest payments and loan fees. **Tax on the profit** totalled DKK 62 million (59) and **net profit** was DKK 143 million (56).

**Cash flow from operating activities** improved to DKK 310 million (106) driven by higher earnings, receipt of a milestone payment related to the recently established Jext® partnership for China and other changes in working capital due to the timing of payments. **Cash flow from investment activities** was DKK minus 161 million (minus 173), mainly on upgrades to legacy production and the build-up of capacity for SLIT-tablet production. **Free cash flow** was positive at DKK 149 million (minus 67).

**Cash flow from financing activities** was DKK minus 236 million (minus 61), relating to the settlement of incentive programmes and a refinancing of ALK's loan and credit facilities. Currently, ALK has DKK 1.5 billion in credit facilities running until 2024, of which, DKK 1.2 billion is currently unused.

At the end of September, ALK held 163,365 of its **own shares** or 1.5% of the share capital, versus 1.9% at the end of 2020, and 2.0% at the end of September 2020.

**Equity** totalled DKK 3,314 million (3,203) at the end of the period, and the equity ratio was 58% (57%).

## Outlook for 2021

Based on its performance in the first nine months, ALK has updated its full-year financial outlook to reflect improvement to both sales and gross margin. As a result:

- ▶ Revenue is now expected to grow 11-12% in local currencies (previously: 10-12).
- ▶ EBITDA is now expected to increase to DKK 500-550 million (previously: 450-500) with a gross margin improvement over last year of ~2 p.p. (previously: 1-2 p.p.). ALK still expects an unchanged increase in R&D expenses and a gradual normalisation of sales and marketing activities compared to last year, which was affected by COVID.
- ▶ Free cash flow is now expected to be positive at ~DKK 200 million (previously: ~minus 100) mainly reflecting the revised earnings outlook and timing of repayment of accrued rebates.

The updated financial outlook is based on the following assumptions:

### Revenue

ALK still expects broad-based growth across all sales regions in 2021 with tablets key to overall growth. Tablet sales growth is still expected at 25% or slightly above and this is now supported by further improvement to the sales outlook for the combined SCIT/SLIT-drops portfolio.

ALK's current assumption for Q4 is that, in general, patients will remain able and willing to visit healthcare professionals without significant limitations. However, ALK cannot rule out that COVID may affect selected countries over the coming months.

### Operating profit

The gross margin is now expected to increase by ~2 p.p. (previously: 1-2 p.p.), driven by efficiencies and higher sales – especially from tablets. Capacity costs will still be influenced by a gradual normalisation of sales and marketing expenditure and a significant increase in R&D costs to complete the clinical development of the tablet portfolio. R&D costs are still estimated at around DKK 625 million.

### Free cash flow

The improved free cash flow now reflects the revised earnings outlook and a recent deferment to 2022 of a one-off repayment of up to DKK 175 million in accrued rebates. Free cash flow is assumed to be impacted positively by other changes in working capital, mainly related to timing of various payments. CAPEX projections are now expected at ~DKK 250 million (previously: 250-300). The outlook also still includes the upfront payment related to the new Jext® partnership in China.

### Other assumptions

Other than the newly established partnership in China, the outlook does not include any revenue from acquisitions, additional partnerships or in-licensing, nor does it include any sizeable payments related to M&A or in-licensing. The outlook is based on current exchange rates, resulting in a negative effect of less than 1 percentage point on reported revenue growth and an immaterial effect on reported EBITDA.

## 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 global COVID pandemic, 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

Silent period

11 January 2022

Annual report 2021

8 February 2022

## R&D PIPELINE 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.

	Phase I	Phase II	Phase III	Filing	Marketed
<b>GRAZAX® Europe</b> Adults and children – Allergic rhinitis (grass)					2007
<b>GRASTEK® North America</b> Adults and children – Allergic rhinitis (grass)					2014
<b>GRAZAX® International markets<sup>i</sup></b> Adults and children – Allergic rhinitis (grass)					2017
<b>RAGWITEK® North America</b> Adults and children – Allergic rhinitis (ragweed)					2014/21
<b>RAGWIZAX® Europe &amp; International markets</b> Adults and children – Allergic rhinitis (ragweed)					2020
<b>ACARIZAX® Europe</b> Adults – Allergic rhinitis and allergic asthma (HDM) Adolescents – Allergic rhinitis (HDM)					2016/17
<b>ACARIZAX®/ODACTRA® North America</b> Adults – Allergic rhinitis (HDM)					2017/18
<b>MITICURE™ Japan<sup>ii</sup></b> Adults and children – Allergic rhinitis (HDM)					2015/18
<b>ACARIZAX® International markets<sup>i</sup></b> Adults - Allergic rhinitis and allergic asthma (HDM)					<sup>iii</sup>
<b>ACARIZAX® China</b> Adults – Allergic rhinitis (HDM)					
<b>ACARIZAX®/ODACTRA® Europe &amp; North America</b> Children – Allergic asthma (HDM)					
<b>ACARIZAX®/ODACTRA® Europe &amp; North America</b> Children – Allergic rhinitis (HDM)					
<b>ODACTRA® North America</b> Adolescents – Allergic rhinitis (HDM)					
<b>CEDARCURE™ Japan<sup>ii</sup></b> Adults and children – Allergic rhinitis (Japanese cedar)					2018
<b>ITULAZAX®/ITULATEK™ Europe &amp; Canada</b> Adults – Allergic rhinitis (tree: birch family)					2019/20
<b>ITULAZAX®/ITULATEK™ Europe &amp; Canada</b> Children – Allergic rhinitis (tree: birch family)					

i. Licensed to Abbott for south-east Asia and Seqirus for Australia/New Zealand

ii. Licensed to Torii for Japan

iii. Already marketed in selected markets

## 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 30 September 2021. 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 30 September 2021. 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 2020.

**Hørsholm, 11 November 2021**

### Board of Management

Carsten Hellmann  
President & CEO

Henrik Jacobi  
Executive Vice President  
Research & Development

Søren Jelert  
CFO & Executive Vice President

Søren Daniel Niegel  
Executive Vice President  
Commercial Operations

### Board of Directors

Anders Hedegaard  
Chairman

Lene Skole  
Vice Chairman

Gitte Aabo

Katja Barnkob

Nanna Rassov Carlson

Lars Holmqvist

Bertil Lindmark

Jakob Riis

Johan Smedsrud



## INCOME STATEMENT FOR THE ALK GROUP

Q3 2021	Q3 2020	Amounts in DKKm	9M 2021	9M 2020
928	772	Revenue	2,817	2,500
369	344	Cost of sales	1,122	1,051
<b>559</b>	<b>428</b>	<b>Gross profit</b>	<b>1,695</b>	<b>1,449</b>
147	121	Research and development expenses	452	337
294	252	Sales and marketing expenses	862	787
63	48	Administrative expenses	169	165
-	(1)	Other operating items, net	1	(1)
<b>55</b>	<b>6</b>	<b>Operating profit (EBIT)</b>	<b>213</b>	<b>159</b>
(1)	(19)	Net financial items	(8)	(44)
<b>54</b>	<b>(13)</b>	<b>Profit/(loss) before tax (EBT)</b>	<b>205</b>	<b>115</b>
17	7	Tax on profit/ (loss)	62	59
<b>37</b>	<b>(20)</b>	<b>Net profit/ (loss)</b>	<b>143</b>	<b>56</b>
		<b>Earnings per share (EPS)</b>		
3.4	(1.8)	Earnings/(loss) per share (EPS)	13.0	5.1
3.4	(1.8)	Earnings/(loss) per share (DEPS), diluted	12.9	5.1

## STATEMENT OF COMPREHENSIVE INCOME

Q3 2021	Q3 2020	Amounts in DKKm	9M 2021	9M 2020
<b>37</b>	<b>(20)</b>	<b>Net profit/(loss)</b>	<b>143</b>	<b>56</b>
		<b>Other comprehensive income</b>		
		<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>		
27	(45)	Foreign currency translation adjustment of foreign affiliates	59	(53)
-	1	Tax related to other comprehensive income, that will subsequently be reclassified to the income statement	-	1
<b>27</b>	<b>(44)</b>	<b>Total</b>	<b>59</b>	<b>(52)</b>
<b>64</b>	<b>(64)</b>	<b>Total comprehensive income</b>	<b>202</b>	<b>4</b>

## CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	9M 2021	9M 2020
<b>Net profit</b>	<b>143</b>	56
Adjustments for non-cash items (note 3)	316	346
Changes in working capital	(15)	(169)
Financial income, received	-	3
Financial expenses, paid	(19)	(15)
Income taxes, paid (net)	(115)	(115)
<b>Cash flow from operating activities</b>	<b>310</b>	106
Investments in intangible assets	(22)	(11)
Investments in tangible assets	(136)	(137)
Investments in other financial assets	(3)	(25)
<b>Cash flow from investing activities</b>	<b>(161)</b>	(173)
<b>Free cash flow</b>	<b>149</b>	(67)
Sale of treasury shares	17	-
Exercised share options, paid	(72)	(24)
Repayment of lease liabilities	(19)	(22)
Proceeds from borrowings	297	-
Repayment of borrowings	(459)	(15)
<b>Cash flow from financing activities</b>	<b>(236)</b>	(61)
<b>Net cash flow</b>	<b>(87)</b>	(128)
<b>Cash beginning of year</b>	<b>298</b>	316
Unrealised gains/(losses) on cash held in foreign currency and financial assets carried as cash	4	(8)
<b>Net cash flow</b>	<b>(87)</b>	(128)
<b>Cash end of period</b>	<b>215</b>	180

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	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	456	456	452
Other intangible assets	152	197	172
	<b>608</b>	653	624
<b>Tangible assets</b>			
Land and buildings	951	956	921
Plant and machinery	446	330	442
Other fixtures and equipment	77	64	72
Property, plant and equipment in progress	276	365	269
	<b>1,750</b>	1,715	1,704
<b>Other non-current assets</b>			
Receivables	29	54	30
Deferred tax assets	694	677	697
Income tax receivables	162	174	168
	<b>885</b>	905	895
<b>Total non-current assets</b>	<b>3,243</b>	3,273	3,223
<b>Current assets</b>			
Inventories	1,180	1,125	1,093
Trade receivables	588	502	544
Receivables from group companies	26	132	20
Income tax receivables	123	54	24
Other receivables	68	62	96
Prepayments	275	245	265
Cash	215	180	298
<b>Total current assets</b>	<b>2,475</b>	2,300	2,340
<b>Total assets</b>	<b>5,718</b>	5,573	5,563

## BALANCE SHEET - EQUITY AND LIABILITIES FOR THE ALK GROUP

Amounts in DKKm	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Equity</b>			
Share capital	111	111	111
Currency translation adjustment	(66)	(72)	(125)
Retained earnings	3,269	3,164	3,167
<b>Total equity</b>	<b>3,314</b>	<b>3,203</b>	<b>3,153</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Mortgage debt	226	245	240
Bank loans	-	447	446
Pensions and similar liabilities	351	343	345
Lease liabilities	205	217	207
Deferred income	45	-	-
Income taxes	152	142	143
	<b>979</b>	<b>1,394</b>	<b>1,381</b>
<b>Current liabilities</b>			
Mortgage debt	18	17	18
Bank loans	298	-	-
Trade payables	125	109	74
Lease liabilities	34	32	32
Other provisions	2	5	3
Income taxes	62	45	21
Other payables	885	767	880
Deferred income	1	1	1
	<b>1,425</b>	<b>976</b>	<b>1,029</b>
<b>Total liabilities</b>	<b>2,404</b>	<b>2,370</b>	<b>2,410</b>
<b>Total equity and liabilities</b>	<b>5,718</b>	<b>5,573</b>	<b>5,563</b>

## EQUITY FOR THE ALK GROUP

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
<b>Equity at 1 January 2021</b>	<b>111</b>	<b>(125)</b>	<b>3,167</b>	<b>3,153</b>
Net profit	-	-	143	143
Other comprehensive income	-	59	-	59
<b>Total comprehensive income</b>	<b>-</b>	<b>59</b>	<b>143</b>	<b>202</b>
Share-based payments	-	-	22	22
Share options settled	-	-	(72)	(72)
Sale of treasury shares	-	-	17	17
Tax related to items recognised directly in equity	-	-	(8)	(8)
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>(41)</b>	<b>(41)</b>
<b>Equity at 30 September 2021</b>	<b>111</b>	<b>(66)</b>	<b>3,269</b>	<b>3,314</b>
<b>Equity at 1 January 2020</b>	<b>111</b>	<b>(19)</b>	<b>3,084</b>	<b>3,176</b>
Net profit	-	-	56	56
Other comprehensive income/ (loss)	-	(53)	1	(52)
<b>Total comprehensive income/ (loss)</b>	<b>-</b>	<b>(53)</b>	<b>57</b>	<b>4</b>
Share-based payments	-	-	21	21
Share options settled	-	-	(24)	(24)
Tax related to items recognised directly in equity	-	-	26	26
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>23</b>
<b>Equity at 30 September 2020</b>	<b>111</b>	<b>(72)</b>	<b>3,164</b>	<b>3,203</b>

## NOTES

### 1 ACCOUNTING POLICIES

This non-audited interim report for the first nine months of 2021 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 nine months of 2021 follows the same accounting policies as the annual report for 2020, except for new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2021. 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	
	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020
SCIT/SLIT-drops	907	929	216	200	49	67	1,172	1,196
SLIT-tablets	940	718	87	63	238	180	1,265	961
Other products and services	167	169	187	155	26	19	380	343
<b>Total revenue</b>	<b>2,014</b>	<b>1,816</b>	<b>490</b>	<b>418</b>	<b>313</b>	<b>266</b>	<b>2,817</b>	<b>2,500</b>
Sale of goods							2,762	2,455
Royalties							55	41
Services							-	4
<b>Total revenue</b>							<b>2,817</b>	<b>2,500</b>

Growth, 9M 2021	Europe		North America		International markets		Total	
	Growth local currencies	Growth	Growth local currencies	Growth	Growth local currencies	Growth	Growth local currencies	Growth
SCIT/SLIT-drops	-2%	-2%	15%	8%	-26%	-27%	-1%	-2%
SLIT-tablets	31%	31%	43%	38%	32%	32%	32%	32%
Other products and services	-1%	-1%	28%	21%	47%	37%	14%	11%
<b>Total revenue</b>	<b>11%</b>	<b>11%</b>	<b>24%</b>	<b>17%</b>	<b>19%</b>	<b>18%</b>	<b>14%</b>	<b>13%</b>

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

### 2 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Amounts in DKKm	Europe		North America		International markets		Total	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
SCIT/SLIT-drops	293	280	74	68	21	19	388	367
SLIT-tablets	278	211	29	17	91	53	398	281
Other products and services	69	65	66	53	7	6	142	124
<b>Total revenue</b>	<b>640</b>	<b>556</b>	<b>169</b>	<b>138</b>	<b>119</b>	<b>78</b>	<b>928</b>	<b>772</b>
Sale of goods							907	754
Royalties							21	14
Services							-	4
<b>Total revenue</b>							<b>928</b>	<b>772</b>

Growth, Q3 2021	Europe		North America		International markets		Total	
	Growth local currencies	Growth	Growth local currencies	Growth	Growth local currencies	Growth	Growth local currencies	Growth
SCIT/SLIT-drops	4%	5%	11%	9%	7%	11%	5%	6%
SLIT-tablets	32%	32%	67%	71%	69%	72%	41%	42%
Other products and services	5%	6%	26%	25%	22%	17%	15%	15%
<b>Total revenue</b>	<b>15%</b>	<b>15%</b>	<b>23%</b>	<b>22%</b>	<b>51%</b>	<b>53%</b>	<b>20%</b>	<b>20%</b>

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

### 3 ADJUSTMENTS FOR NON-CASH ITEMS

Amounts in DKKm	9M 2021	9M 2020
Tax on profit/ (loss)	62	59
Financial income and expenses	8	44
Share-based payments	22	21
Depreciation, amortisation and impairment	185	172
Other adjustments*	39	50
<b>Total</b>	<b>316</b>	<b>346</b>

\* Other adjustments include non-cash transactions related to the divestment of ALK's part-share of a formulation production line for tablets to production partner Catalent. In 2020, it further includes provision for transition period for the Danish Holiday act.