

ALK delivers 11% revenue growth with operating profit up 120% in Q2

ALK's revenue grew by 11% in Q2 2023, driven by 17% growth in tablet sales and double-digit growth in combined SCIT/SLIT-drops sales. Operating profit (EBIT) increased by 120% in local currencies on sales growth and gross margin improvements.

Q2 2023 financial highlights

Comparative figures for Q2 2022 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated

- ▶ Revenue increased by 11% to DKK 1,135 million (1,045), equalling 12% growth when disregarding the one-year mandatory rebate increase in Germany. Currencies lowered reported growth by 2 percentage points.
- ▶ Revenue increased by 64% in International markets, by 10% in North America, and by 2% in Europe.
- ▶ Tablet sales increased by 17% to DKK 547 million (480), with an increase of 97% in International markets (mainly driven by product shipments to Japan), and 20% in North America. As expected, growth in tablet sales in Europe was flat.
- ▶ Global SCIT and SLIT-drops sales increased by 13% to DKK 423 million (380) driven by Europe and China, while sales of Other products and services decreased by 8% to DKK 165 million (185) on declining Jext[®] sales.
- ▶ Q2 operating profit (EBIT) increased by 120% in local currencies, which equates to 98% in reported currency, on sales growth and gross margin improvements, which were partly offset by a minor increase in capacity costs. EBIT was DKK 97 million (49) with an EBIT-margin of 9% (5), resulting in a 14% (12) EBIT-margin for the first half year.

Financial performance for the first six months (H1) 2023

In DKKm	H1 2023	H1 2022	Growth (local currencies)	Growth (reported)
Revenue	2,369	2,200	9%	8%
EBIT	325	264	33%	23%
EBIT margin – %	14%	12%		

Progress on strategic priorities

- ▶ Based on the strong results from the paediatric MT-12 Phase 3 trial, ALK has started preparing a registration application for authorities in Europe and North America to expand the indications for the house dust mite (HDM) tablet to include children aged five to 11. The MT-12 trial met its primary endpoint and all key secondary endpoints.
- ▶ Top-line results from the TT-06 paediatric Phase 3 trial with the tree tablet are still expected in Q4 2023.
- ▶ First readouts from the Phase 1 trial of tablet treatment for peanut allergy are still expected end-2023.
- ▶ The regulatory review of the Biologics Licence Application for ALK's HDM tablet in China is ongoing and is still expected to complete in 2024.
- ▶ The government in Japan, one of the world's largest allergy immunotherapy tablet markets, has launched a comprehensive action plan to further combat respiratory allergy. ALK and its partner Torii are currently assessing how to best support the government's plan.

2023 revenue outlook is narrowed; earnings outlook remains unchanged

The full-year revenue outlook has been narrowed to mainly reflect the year-to-date progress and intermittent supply shortages affecting Jext[®]. The full-year earnings outlook is unchanged:

- ▶ Revenue is now expected to grow by 8-10% organically in local currencies (previously: 7-11%), which is equivalent to 9-11% growth, disregarding the one-year temporary mandatory rebate increase for prescription drugs in Germany.
- ▶ Tablets sales and SCIT/SLIT-drops sales are still expected to grow by double digits respectively in the second half of the year. Full-year tablet growth is still expected within the previously communicated range.
- ▶ Earnings margin (EBIT margin) is still expected to increase from 10% in 2022 to 13-15% on sales growth, efficiencies, economies of scale and lower R&D costs.

Hørsholm, 24 August 2023

ALK-Abelló A/S



For further information, contact:

Investor Relations: Per Plotnikof, tel. +45 4574 7527, mobile +45 2261 2525

Media: Maiken Riise Andersen, tel. +45 5054 1434

Today, ALK is hosting a conference call for analysts and investors at 1.30 p.m. (CEST) 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. Please call in before 1.25 p.m. (CEST). Danish participants should call in on tel. +45 7877 4197 and international participants should call in on tel. +44 0 808 101 1183 or +1 785 424 1102. Please use the Participant Pin Code: 55214#

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Income statement					
Revenue	1,135	1,045	2,369	2,200	4,511
<i>Revenue growth (local currencies)</i>	11%	17%	9%	14%	13%
<i>Revenue growth (reported)</i>	9%	20%	8%	16%	15%
Operating profit before depreciation (EBITDA)	157	107	445	379	708
Operating profit (EBIT)	97	49	325	264	470
<i>EBIT growth (local currencies)</i>	120%	n/a	33%	64%	66%
<i>EBIT growth (reported)</i>	98%	n/a	23%	67%	61%
Net financial items	(8)	7	(19)	9	(23)
Profit before tax (EBT)	89	56	306	273	447
Net profit	66	42	229	205	335
Average number of employees (FTE)	2,759	2,617	2,727	2,587	2,609
Balance sheet					
Total assets	6,457	6,207	6,457	6,207	6,308
Invested capital	3,691	3,155	3,691	3,155	3,400
Equity	4,184	3,786	4,184	3,786	3,988
Cash flow and investments					
Depreciations, amortisation and impairment	60	58	120	115	238
Cash flow from operating activities	9	145	163	236	416
Cash flow from investing activities	(120)	(90)	(211)	(143)	(351)
- of which investment in intangible assets	(20)	(10)	(37)	(18)	(55)
- of which investment in tangible assets	(102)	(82)	(176)	(129)	(298)
Free cash flow	(111)	55	(48)	93	65
Information on shares					
Share capital	111	111	111	111	111
Shares in thousands of DKK 0.5 each	222,824	222,824	222,824	222,824	222,824
Share price, end of period	74	123	74	123	96
Net asset value per share	19	17	19	17	18
Key figures					
Gross margin – %	62	61	64	63	62
EBIT margin – %	9	5	14	12	10
Equity ratio – %	65	61	65	61	63
Earnings per share (EPS)	0.3	0.2	1.0	0.9	1.5
Earnings per share (DEPS), diluted	0.3	0.2	1.0	0.9	1.5
Share price/Net asset value	4.0	7.3	4.0	7.3	5.4

INCOME STATEMENT

Q2 2023	%	Q2 2022	%	Amounts in DKKm	H1 2023	%	H1 2022	%
1,135	100	1,045	100	Revenue	2,369	100	2,200	100
428	38	404	39	Cost of sales	863	36	820	37
707	62	641	61	Gross profit	1,506	64	1,380	63
160	14	162	15	Research and development expenses	318	13	319	15
450	39	430	41	Sales, marketing and administrative expenses	863	37	797	36
97	9	49	5	Operating profit (EBIT)	325	14	264	12
(8)	(1)	7	0	Net financial items	(19)	(1)	9	0
89	8	56	5	Profit before tax (EBT)	306	13	273	12
23	2	14	1	Tax on profit	77	3	68	3
66	6	42	4	Net profit	229	10	205	9
157	14	107	10	Operating profit before depreciation and amortisation (EBITDA)	445	19	379	17

UPDATE ON STRATEGIC PRIORITIES

Throughout Q2, ALK continued its efforts to restore tablet sales growth in Europe from H2 2023 onwards – particularly in the key markets of Germany and the Nordics – by further increasing ALK’s market share and expanding the overall allergy immunotherapy (AIT) market (cf. the section ‘Q2 sales and market trends’). Leading indicators from these activities are showing encouraging early results.

Progress was also made with efforts to strengthen the respiratory tablet portfolio’s long-term commercial potential.

The government in **Japan**, one of ALK’s largest tablet markets, launched a comprehensive nationwide action plan to combat respiratory allergy, which has reached unprecedented levels in the country, influenced especially by Japanese cedar tree pollen. An important element in the plan is an ambition to make AIT tablets more widely available. This would potentially entail a significant expansion of manufacturing capacity for Japanese cedar tablets over the next years. The plan also includes efforts to improve pollen forecasts and make AIT better known publicly.

Under an exclusive licence agreement established in 2011, ALK’s partner Torii currently markets CEDARCURE™ (the only approved tablet for treatment of Japanese cedar pollen allergy) and MITICURE™ (for house dust mite (HDM) allergy). Torii and ALK are currently assessing how to best support the government’s action plan, including the infrastructure needed, as well as how to scale up production of the active pharmaceutical ingredients and the finished products.

In June, ALK presented top-line results from the large-scale, pivotal Phase 3 **paediatric trial of the HDM tablet** in Europe and North America – an important

step in ALK’s efforts to transform the treatment of children living with allergies.

The trial, involving 1,458 children aged five to 11, met its primary endpoint and all key secondary endpoints. With an improvement of 22% in the total combined rhinitis score, the trial demonstrated that the HDM tablet both reduced the children’s allergy symptoms and their need for allergy pharmacotherapy. ALK is now preparing a registration application for submission to the regulatory authorities in Europe and North America to expand the current product indications for the HDM tablet to include children, aged five to 11. Subject to approval, the HDM tablet could be available for this age group in Europe and North America in 2024/25.

Furthermore, the pivotal **paediatric Phase 3 trial of the tree pollen tablet (ITULAZAX®)** in Europe and Canada is on track, and ALK expects to report top-line results from this trial in Q4 2023.

Globally, it is estimated that more than 10 million children have uncontrolled respiratory allergies, and the number is growing. Hence, paediatric indications for both the HDM tablet and the tree tablet will allow ALK to address significantly larger patient and prescriber bases. The importance of paediatric indications has been demonstrated in Japan, where children now constitute the majority of new patients on ALK’s tablet treatments.

The regulatory review of the Biologics Licence Application for ALK’s HDM tablet in **China** is ongoing. Subject to approval, the HDM tablet could become available in one of the world’s largest HDM allergy markets in 2024/25. In the **USA**, ALK continues to execute its adjusted business strategy to unlock the tablet market via new sales channels, especially among paediatricians.

The Phase 1 trial of a new tablet for **peanut allergy** – ALK’s first move into food allergy – is progressing as planned, and first readouts are still expected in 2023, with study completion expected in 2024.

The suite of digital tools in the ‘**klarify**’ universe, now available in 12 countries, has been continuously upgraded and efforts have been intensified. Analysis shows that ALK is increasingly able to funnel appropriate patients from digital platforms to relevant healthcare professionals.

Work also continues to further expand **tablet manufacturing capacity**, with a particular focus on the production of source materials in the USA, and on the production of active pharmaceutical ingredients in Denmark. Furthermore, ALK’s contract manufacturer for tablet formulation is also working to expand capacity.

So far in 2023, ALK has submitted 783 **regulatory changes** covering 80 products to various authorities. Included are changes submitted as part of ALK’s product and site strategy (PASS) programme which will eventually help ALK update and further standardise its portfolio of legacy products.

MANAGEMENT CHANGE

As previously announced, Peter Halling will succeed Carsten Hellman as President & CEO of ALK. The management change will take place on 1 November 2023. Peter Halling joins ALK from his position as CEO of Fertin Pharma, and has experience from executive roles at various life sciences companies.

Q2 SALES AND MARKET TRENDS

(Comparative figures for Q2 2022 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

Revenue by geography

DKKm	Q2 2023	Growth*	Share of revenue	Q2 2022
Europe	721	2%	64%	713
North America	232	10%	20%	217
Int'l markets	182	64%	16%	115
Revenue	1,135	11%	100%	1,045

* In local currencies

Europe

Revenue in Europe was up 2% in local currencies to DKK 721 million (713), equivalent to 4% growth disregarding the one-year rebate increase in Germany. ALK delivered growth in the key markets of Germany and the Nordics as well as in a number of the smaller European markets. By contrast, revenue declined in the UK and France.

Combined SCIT and SLIT-drops sales performed well, while, as anticipated, tablet sales were still impacted by the trailing effect of the lower intake of new patients in the most recent initiation season.

Combined SCIT and SLIT-drops sales were up 13% on Q2 2022. SCIT sales benefited from improved pricing and market share gains, in particular, in the SCIT venom sub-segment. SLIT-drops sales continued their decline due to an ongoing market transition in France.

Tablet sales were unchanged in local currencies but grew by 2% on a like-for-like basis, disregarding the temporary, one-year German rebate increase. In Germany and the Nordics in particular, ALK saw a continued impact from the most recent initiation season, where ALK only initiated around 95% of the expected number of new patients onto tablet treatment. ALK remains confident in its commercial strategy and has deployed a series of intensified sales activities to secure positive momentum in Europe during the forthcoming treatment initiation season in H2 2023. Leading indicators are showing encouraging results with regards to disease burden, patient mobilisations and confirmed doctor visits, treatment initiations, improved market access and stabilised developments in key markets.

In line with ALK’s ambition to unlock further markets as meaningful growth contributors, Q2 tablet sales developed positively in several of the smaller markets in central and eastern Europe. Key to ALK’s ambitions in these markets are initiatives to gain effective market access, which saw further progress. Future tablet indications for children will also be important as ALK seeks to make tablets available earlier in life in order to expand the prescriber and patient bases.

European sales of Other products and services decreased 24% on lower sales of Jext® pens which was partly due to relatively low organic replacement rates in 2023, and partly due to the normalisation of competitors’ product supply to the market versus 2022. Furthermore, Jext® is currently experiencing intermittent supply shortages in selected markets, caused by temporary restrictions to the supply of adrenaline-filled cartridges from ALK’s contract manufacturer.

North America

Revenue in North America increased by 10% in local currencies to DKK 232 million (217).

Tablet sales were up 20%, with continued good performance in Canada. Performance in the USA was as planned. Sales of bulk SCIT products, mainly in the USA, increased by 5% with growth still held back slightly by temporary backorders, which ALK is working to fulfil in the coming quarters. Sales of Other products and services grew by 10%, with growth from life science products and diagnostics.

International markets

Revenue in International markets was up 64% in local currencies to DKK 182 million (115), driven by high double-digit growth in ALK’s product shipments to the region’s two largest markets, Japan and China.

In Japan, tablet sales continued to bounce back strongly after the COVID-driven headwinds in 2022, and Torii's in-market sales grew in double digits. In China, ALK's expanded organisation continued to focus on building market access in the local AIT market ahead of the planned launch of ACARIZAX® in 2024/25. ALK also grew its in-market sales of SCIT products.

Global revenue by product line

DKKm	Q2 2023	Growth*	Share of revenue	Q2 2022
SCIT/SLIT-drops	423	13%	37%	380
SLIT-tablets	547	17%	48%	480
Other products and services	165	-8%	15%	185
Revenue	1,135	11%	100%	1,045

* In local currencies

SIX-MONTH FINANCIAL REVIEW

(Comparative figures for the first half-year 2022 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

ALK delivered its best-ever results for a first half-year, with progress in sales and operating profit.

Revenue was up 9% in local currencies to DKK 2,369 million (2,200). Exchange rates impacted reported revenue growth negatively by 1 percentage point.

Cost of sales increased by 5% in local currencies to DKK 863 million (820). The **gross profit** of DKK 1,506 million (1,380) yielded an improved gross margin of 64% (63%), mainly reflecting higher sales and production efficiencies, partly offset by larger tablet shipments to Torii at lower margins. ALK continued to implement its product and site strategy, involving investments in upgrading products and associated manufacturing facilities to secure quality and robustness in product supply.

Capacity costs increased by 6% in local currencies to DKK 1,181 million (1,116). As planned, R&D expenses were essentially unchanged at DKK 318 million (319) reflecting the advanced stage of clinical trials of the respiratory tablets portfolio. Sales and marketing expenses were up 5% in local currencies, in support of the organisational build-up in China and a generally higher activity level across markets. Administration costs increased by 27% in local currencies, mainly reflecting one-off costs associated with the leadership changes and increased activity levels.

EBIT (operating profit) increased by 33% in local currencies to DKK 325 million (264), driven by higher sales, improved gross margin and a reduced capacity cost ratio to revenue. Exchange rates impacted growth in reported operating profit negatively by 10 percentage points.

Net financials were a loss of DKK 19 million (a gain of 9) related to interest expenses and currency losses.

Tax on the profit totalled DKK 77 million (68), and the **net profit** increased to DKK 229 million (205).

Cash flow from operating activities was DKK 163 million (236), driven by higher earnings which were offset by changes in working capital, mainly related to inventory build-up and short-term timing of receivables. **Cash flow from investment activities** was DKK minus 211 million (minus 143), mainly reflecting the build-up of capacity for tablet production, upgrades for legacy production, and investments for the in-house next generation adrenaline auto-injector, which is currently in development. **Free cash flow** was negative at DKK 48 million (positive 93), as planned. Cash flow from financing activities was DKK minus 8 million (minus 90).

At the end of June, ALK held 1,634,673 of its **own shares**, or 0.7% of the share capital, versus 0.8% at the end of 2022, and 1.0% at the end of June 2022.

Equity totalled DKK 4,184 million (3,786) at the end of June, and the equity ratio was 65% (61%).

OUTLOOK FOR 2023

The full-year revenue outlook has been narrowed to mainly reflect the year-to-date progress and intermittent supply shortages affecting Jext®. The full-year earnings outlook is unchanged:

- ▶ Total revenue is now expected to grow by 8-10% organically in local currencies (previously: 7-11%). This is equivalent to 9-11% growth when disregarding the one-year, temporary mandatory rebate increase for prescription drugs in ALK's largest market, Germany.
- ▶ Earnings margin (EBIT margin) is still expected to increase from 10% in 2022 to 13-15% on sales growth, efficiencies, economies of scale and lower R&D costs.

The outlook is based on the following assumptions:

Revenue

Revenue growth is expected to be broad-based across all three sales regions.

Growth in tablet sales is still expected to pick up and grow by double digits in the second half-year with full year growth expected within the previously communicated range of 9-14% in local currencies. As previously communicated, the upper end of this range is pending possible price adjustments for tablets in parts of Europe. These price adjustments remain undetermined as discussions are still ongoing.

In Europe, full-year tablet sales are still expected to grow by single digits, driven by a higher inflow of new patients especially in the key markets of Germany and

the Nordics during the forthcoming treatment initiation season. Double-digit growth in tablet sales is also still anticipated in North America and International markets. The timing of shipments to Torii in Japan may lead to quarterly sales fluctuations.

Combined sales of SCIT and SLIT-drops are still expected to grow by double digits in the second half-year led by SCIT products. Besides the previously anticipated decrease in sales following exceptional performance in 2022, Jext® sales in the second half-year will also be impacted by intermittent supply shortages in selected markets.

Margins

The gross margin is still expected to increase by up to 1 percentage point. The gross margin is assumed to benefit from higher tablet and SCIT sales, as well as efficiencies in product supply. However, this impact will be somewhat offset by various factors, including the temporary mandatory 5 percentage points rebate increase in Germany, higher tablet shipments to Japan at lower margins, as well as modest cost inflation.

Capacity costs

The overall capacity cost to revenue ratio is still expected to improve as ALK normalises R&D spend and further leverages existing platforms to drive efficiencies. R&D costs are still planned to be around DKK 600 million for the full-year, while sales and marketing costs are planned to increase in mid-single digits to support various growth initiatives, including the continued build-up in China.

Other assumptions

- ▶ The outlook assumes that patients in general will remain able and willing to visit healthcare professionals without significant limitations, although temporary changes may be seen in some markets.
- ▶ New respiratory infection waves are not assumed to materially affect clinical and commercial activities, sales, nor investments.
- ▶ No additional pressure is expected on pricing and reimbursement schemes, except for the one-year rebate increase in Germany and minor adjustments in certain southern European markets.

- ▶ ALK's exposure to inflationary pressure on its cost base is expected to remain modest.
- ▶ Capital expenditure (CAPEX) is projected at around DKK 400 million, and free cash flow is expected to be positive.
- ▶ The outlook does not include any revenue from acquisitions, new partnerships or the in-licensing of products and services, nor does it include payments in relation to mergers and acquisitions or in-licensing activities.
- ▶ The outlook is based on current exchange rates, resulting in a negative effect of approximately 2 percentage points on reported revenue growth and a minor negative effect on reported growth in 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

Silent period	18 October 2023
Nine-month interim report (Q3) 2023	15 November 2023

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 30 June 2023. 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 June 2023. 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 2022.

Hørsholm, 24 August 2023

Board of Management

Carsten Hellmann
President & CEO

Henriette Mersebach
Executive Vice President
Research & Development

Søren Daniel Niegel
Executive Vice President
Commercial Operations

Claus Steensen Sølje
CFO & Executive Vice President

Board of Directors

Anders Hedegaard
Chairman

Lene Skole
Vice Chairman

Gitte Aabo

Katja Barnkob

Nanna Rassov Carlson

Lars Holmqvist

Jesper Høiland

Bertil Lindmark

Alan Main

Lise Lund Mærkedahl

Johan Smedsrud

INCOME STATEMENT FOR THE ALK GROUP

Q2 2023	Q2 2022	Amounts in DKKm	H1 2023	H1 2022
1,135	1,045	Revenue	2,369	2,200
428	404	Cost of sales	863	820
707	641	Gross profit	1,506	1,380
160	162	Research and development expenses	318	319
351	358	Sales and marketing expenses	694	664
99	72	Administrative expenses	169	133
97	49	Operating profit (EBIT)	325	264
(8)	7	Net financial items	(19)	9
89	56	Profit before tax (EBT)	306	273
23	14	Tax on profit	77	68
66	42	Net profit	229	205
		Earnings per share (EPS)		
0.3	0.2	Earnings per share (EPS)	1.0	0.9
0.3	0.2	Earnings per share (DEPS), diluted	1.0	0.9

STATEMENT OF COMPREHENSIVE INCOME

Q2 2023	Q2 2022	Amounts in DKKm	H1 2023	H1 2022
66	42	Net profit	229	205
		Other comprehensive income		
		<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>		
3	69	Foreign currency translation adjustment of foreign affiliates	(19)	93
69	111	Total comprehensive income	210	298

CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	H1 2023	H1 2022
Net profit	229	205
Adjustments for non-cash items (note 3)	228	189
Changes in working capital	(237)	(83)
Financial income, received	4	2
Financial expenses, paid	(12)	(8)
Income taxes, paid (net)	(49)	(69)
Cash flow from operating activities	163	236
Investments in intangible assets	(37)	(18)
Investments in tangible assets	(176)	(129)
Investments in other financial assets	2	4
Cash flow from investing activities	(211)	(143)
Free cash flow	(48)	93
Sale of treasury shares	-	19
Exercised share options, paid	(20)	(10)
Repayment of lease liabilities	(16)	(16)
Proceeds from borrowings	75	-
Repayment of borrowings	(47)	(83)
Cash flow from financing activities	(8)	(90)
Net cash flow	(56)	3
Cash beginning of year	221	194
Unrealised gains/(losses) on cash held in foreign currency and financial assets carried as cash	-	4
Net cash flow	(56)	3
Cash end of period	165	201

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 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current assets			
Intangible assets			
Goodwill	459	462	460
Other intangible assets	200	169	182
	659	631	642
Tangible assets			
Land and buildings	968	1,006	991
Plant and machinery	440	447	440
Other fixtures and equipment	75	79	76
Property, plant and equipment in progress	616	407	511
	2,099	1,939	2,018
Other non-current assets			
Prepayments	73	27	94
Deferred tax assets	723	771	716
Income tax receivables	197	181	193
	993	979	1,003
Total non-current assets	3,751	3,549	3,663
Current assets			
Inventories	1,391	1,261	1,297
Trade receivables	849	727	764
Receivables from group companies	18	47	18
Income tax receivables	35	40	24
Other receivables	54	69	82
Prepayments	194	313	239
Cash	165	201	221
Total current assets	2,706	2,658	2,645
Total assets	6,457	6,207	6,308

BALANCE SHEET - EQUITY AND LIABILITIES FOR THE ALK GROUP

Amounts in DKKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
Equity			
Share capital	111	111	111
Currency translation adjustment	1	52	20
Retained earnings	4,072	3,623	3,857
Total equity	4,184	3,786	3,988
Liabilities			
Non-current liabilities			
Mortgage debt	194	212	203
Pensions and similar liabilities	241	330	236
Lease liabilities	227	227	226
Deferred tax liabilities	3	1	4
Deferred income	48	50	49
Income taxes	203	169	203
	916	989	921
Current liabilities			
Mortgage debt	18	18	18
Bank loans	247	149	208
Trade payables	127	153	131
Lease liabilities	44	39	41
Deferred income	4	4	4
Provisions	4	2	3
Income taxes payables	58	79	16
Other payables	855	988	978
	1,357	1,432	1,399
Total liabilities	2,273	2,421	2,320
Total equity and liabilities	6,457	6,207	6,308

EQUITY FOR THE ALK GROUP

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
Equity at 1 January 2023	111	20	3,857	3,988
Net profit	-	-	229	229
Other comprehensive income	-	(19)	-	(19)
Total comprehensive income	-	(19)	229	210
Share-based payments	-	-	9	9
Share options settled	-	-	(20)	(20)
Tax related to items recognised directly in equity	-	-	(3)	(3)
Other transactions	-	-	(14)	(14)
Equity at 30 June 2023	111	1	4,072	4,184
Equity at 1 January 2022	111	(41)	3,410	3,480
Net profit	-	-	205	205
Other comprehensive income	-	93	-	93
Total comprehensive income	-	93	205	298
Share-based payments	-	-	13	13
Share options settled	-	-	(10)	(10)
Sale of treasury shares	-	-	19	19
Tax related to items recognised directly in equity	-	-	(14)	(14)
Other transactions	-	-	8	8
Equity at 30 June 2022	111	52	3,623	3,786

NOTES

1 ACCOUNTING POLICIES

This non-audited interim report for the first six months of 2023 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 six months of 2023 follows the same accounting policies as the annual report for 2022, except for new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2023. These IFRSs have not had any impact on the Group's interim report.

2 REVENUE AND SEGMENT INFORMATION

Amounts in DKKm	Europe		North America		International Markets		Total	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
SCIT/SLIT-drops	666	593	175	165	92	71	933	829
SLIT-tablets	775	784	92	78	261	201	1,128	1,063
Other products and services	117	127	174	160	17	21	308	308
Total revenue	1,558	1,504	441	403	370	293	2,369	2,200
Sale of goods							2,322	2,151
Royalties							46	42
Services							1	7
Total revenue							2,369	2,200

Growth, H1 2023	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
SCIT/SLIT-drops	13%	12%	5%	6%	36%	30%	13%	13%
SLIT-tablets	0%	-1%	21%	18%	32%	30%	8%	6%
Other products and services	-6%	-8%	7%	9%	-18%	-19%	1%	0%
Total revenue	5%	4%	9%	9%	30%	26%	9%	8%

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	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
SCIT/SLIT-drops	300	267	88	86	35	27	423	380
SLIT-tablets	361	366	47	41	139	73	547	480
Other products and services	60	80	97	90	8	15	165	185
Total revenue	721	713	232	217	182	115	1,135	1,045
Sale of goods							1,110	1,017
Royalties							24	21
Services							1	7
Total revenue							1,135	1,045

Growth, Q2 2023	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
SCIT/SLIT-drops	13%	12%	5%	2%	38%	30%	13%	11%
SLIT-tablets	0%	-1%	20%	15%	97%	90%	17%	14%
Other products and services	-24%	-25%	10%	8%	-40%	-47%	-8%	-11%
Total revenue	2%	1%	10%	7%	64%	58%	11%	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	H1 2023	H1 2022
Tax on profit	77	68
Financial income and expenses	19	(9)
Share-based payments	9	13
Depreciation, amortisation and impairment	120	115
Other adjustments	3	2
Total	228	189