

**ALK delivers 21% organic revenue growth with an operating profit margin of 19% in Q2**

Revenue growth was driven by a continued strong momentum in tablet sales, and improved performance of injection- and drop-based allergy immunotherapy products. ALK’s European and International markets were key contributors to growth. The increase in operating profit (EBIT) of 189% is in-line with ALK’s financial targets. Full-year outlook has been upgraded.

**Q2 performance highlights**

*Comparative figures for Q2 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated.*

- ▶ Total revenue increased by 21% in local currencies to DKK 1,374 million (1,135) on broad-based growth.
- ▶ Tablet sales were up 32% to DKK 716 million (547) on double-digit growth in all sales regions. Europe was a key contributor with 35% growth.
- ▶ Combined SCIT and SLIT-drops sales grew by 16% to DKK 490 million (423) and saw robust growth in Europe and increasing SCIT shipments to China.
- ▶ Sales of Other products and services increased by 1% to DKK 168 million (165). Jext® sales increased by 17% and is recovering from previous supply shortages while sales of other products declined.
- ▶ Operating profit (EBIT) increased by 189% in local currencies to DKK 264 million (97), with an EBIT margin of 19% (9%). Progress was driven by sales growth, gross margin improvements, and prudent cost management leading to lower total costs to R&D, Sales & Marketing and Administration. EBIT included one-off costs of DKK 38 million (0) associated with previously announced optimisation initiatives.

**Financial highlights**

In DKKm	Q2 2024	Growth		H1 2024	Growth	
		l.c.	r.c.		l.c.	r.c.
<b>Revenue</b>	<b>1,374</b>	<b>21%</b>	<b>21%</b>	<b>2,725</b>	<b>15%</b>	<b>15%</b>
<b>EBIT</b>	<b>264</b>	<b>189%</b>	<b>172%</b>	<b>580</b>	<b>84%</b>	<b>78%</b>
<b>EBIT margin – %</b>	<b>19%</b>			<b>21%</b>		

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

**Progress on strategic priorities**

- ▶ ALK launched its new strategy ‘Allergy+’ on 03 June 2024 with new long-term financial ambitions for 2028. Implementation has started and is prioritising high-potential growth levers.
- ▶ The regulatory processes to secure approvals of the house dust mite and tree pollen allergy tablets for children in Europe and North America are ongoing. The 2024/25 launch preparations progress as planned. The clinical trial with the tablet for peanut allergy is on track and is still expected to report next set of results in H2 2024.
- ▶ Following its decision on 21 June to withdraw the license application for the house dust mite allergy tablet in China, ALK is working with the authorities on the documentation needed to obtain local approval.
- ▶ Optimisation activities are on track to free up resources for growth investments and support the 2025 earnings ambitions of a 25% EBIT margin.

**2024 full-year outlook has been upgraded**

With reference to Company Announcement no 15/2024, released earlier today, the full-year financial outlook has been upgraded to reflect current performance and outlook for the remainder of the year:

- ▶ Revenue is now expected to grow by 14-16% organically in local currencies (previously: 12-15%) on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is now expected to improve to 19-21% (previously: 18-20%) (vs. 14% last year) mainly driven by the higher sales growth. One-off costs of DKK ~60 million related to optimisation efforts are included in the guidance.

**Commenting on the Q2 results, CEO Peter Halling said:** “Results in 2024 have so far exceeded expectations, and we are particularly encouraged by the continued robust tablet growth and the positive impact of the cost optimisation initiatives. The implementation of our new strategy ‘Allergy+’ is well underway and we have taken the first steps to effectively scale up ALK for future growth in revenue and earnings.”

**Hørsholm, 22 August 2024**

**ALK-Abelló A/S**

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ALK is hosting a conference call for analysts and investors at **1.30 p.m. (CEST)** on 23 August 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/10189973/fcbfb4285f> and follow the registration instructions. You will receive an email from [diamondpass@choruscall.com](mailto:diamondpass@choruscall.com) with dial-in details, including a passcode and a pin code. Please make sure to whitelist [diamondpass@choruscall.com](mailto:diamondpass@choruscall.com) and/or check your spam filter. We advise you to register well in advance and to call in before **1.25 p.m. (CEST)**.

## FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	Q2 2024	Q2 2023	H1 2024	H1 2023	Full year 2023
<b>Income statement</b>					
Revenue	1,374	1,135	2,725	2,369	4,824
Revenue growth (local currencies)	21%	11%	15%	9%	9%
Revenue growth (reported)	21%	9%	15%	8%	7%
Operating profit (EBIT)	264	97	580	325	666
EBIT growth (local currencies)	189%	120%	84%	33%	50%
EBIT growth (reported)	172%	98%	78%	23%	42%
Operating profit before depreciation (EBITDA)	331	157	713	445	911
Net financial items	5	(8)	(2)	(19)	(19)
Profit before tax (EBT)	269	89	578	306	647
Net profit	201	66	433	229	486
Average number of employees (FTE)	2,811	2,759	2,806	2,727	2,752
<b>Balance sheet</b>					
Total assets	7,045	6,457	7,045	6,457	6,726
Invested capital	4,025	3,691	4,025	3,691	3,765
Equity	4,919	4,184	4,919	4,184	4,447
<b>Cash flow and investments</b>					
Cash flow from operating activities	259	9	542	163	667
Cash flow from investing activities	(98)	(120)	(270)	(211)	(375)
- of which investment in intangible assets	(13)	(20)	(23)	(37)	(69)
- of which investment in tangible assets	(84)	(102)	(133)	(176)	(310)
- of which acquisitions of companies and operations	-	-	(115)	-	-
Free cash flow	161	(111)	272	(48)	292
<b>Information on shares</b>					
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	153	74	153	74	101
Net asset value per share	22	19	22	19	20
<b>Key figures</b>					
Gross margin – %	63	62	64	64	63
EBIT margin – %	19	9	21	14	14
Equity ratio – %	70	65	70	65	66
Earnings per share (EPS)	0.9	0.3	2.0	1.0	2.2
Earnings per share (DEPS), diluted	0.9	0.3	2.0	1.0	2.2
Share price/Net asset value	6.9	4.0	6.9	4.0	5.1

## INCOME STATEMENT

Q2 2024	% of revenue	Q2 2023	% of revenue	Amounts in DKKm	H1 2024	% of revenue	H1 2023	% of revenue
1,374	100	1,135	100	Revenue	2,725	100	2,369	100
507	37	428	38	Cost of sales	969	36	863	36
<b>867</b>	<b>63</b>	<b>707</b>	<b>62</b>	<b>Gross profit</b>	<b>1,756</b>	<b>64</b>	<b>1,506</b>	<b>64</b>
125	9	160	14	Research and development expenses	255	9	318	13
480	35	450	39	Sales, marketing and administrative expenses	924	34	863	37
2	-	-	-	Other operating items, net	3	-	-	-
<b>264</b>	<b>19</b>	<b>97</b>	<b>9</b>	<b>Operating profit (EBIT)</b>	<b>580</b>	<b>21</b>	<b>325</b>	<b>14</b>
5	1	(8)	(1)	Net financial items	(2)	-	(19)	(1)
<b>269</b>	<b>20</b>	<b>89</b>	<b>8</b>	<b>Profit before tax (EBT)</b>	<b>578</b>	<b>21</b>	<b>306</b>	<b>13</b>
68	5	23	2	Tax on profit	145	5	77	3
<b>201</b>	<b>15</b>	<b>66</b>	<b>6</b>	<b>Net profit</b>	<b>433</b>	<b>16</b>	<b>229</b>	<b>10</b>
<b>331</b>	<b>24</b>	<b>157</b>	<b>14</b>	<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>713</b>	<b>26</b>	<b>445</b>	<b>19</b>

## STRATEGIC PRIORITIES

### Implementation of Allergy+ strategy

In the beginning of June 2024, ALK presented its new Allergy+ strategy and new long-term financial aspirations in connection with a well-attended Capital Markets Day. Allergy+ aims to further strengthen ALK's global leadership in respiratory AIT, establish leading positions in food allergy and anaphylaxis, and pursue new innovations to address adjacent allergic conditions. The implementation of the strategy has started and prioritises high-potential growth levers – markets, projects and innovations – with the largest potential to generate strong returns and the greatest impact for patients and prescribers.

Allergy+ targets average revenue growth of minimum 10% in local currencies (5-year CAGR) until 2028. ALK continues to aim for an EBIT margin of ~25% in 2025 after which earnings improvements beyond the ~25% margin will be re-invested in initiatives to bolster ALK's long-term growth and profitability trajectory.

**Optimisation and prioritisation** initiatives are being implemented in 2024 to free up approximately DKK 250 million in savings in 2025, of which roughly half will be reinvested in strategic initiatives and roughly half will support the earnings ambitions for 2025. ALK estimates that around 125 positions will be eliminated through natural attrition and redundancies. These activities are expected to entail one-off costs of approximately DKK 60 million in 2024, of which DKK 38 million were recognized in Q2, when ALK reorganized parts of its operations. This will free up resources that will be reallocated to high-impact markets with sustainable demand for AIT and strong endorsement of evidence-based AIT from regulators, payers, and prescribers.

The work to secure regulatory approvals to expand key product indications for the house dust mite (HDM)

and tree tablets to include **young children** is ongoing. ALK's applications for the HDM tablet were recently accepted for review by the US Food and Drug Administration and Health Canada. Subject to approval, the HDM tablet could become available for children, aged five to 11, in North America in 2025. A regulatory review is already ongoing in Europe where the HDM tablet, subject to approval, could become available for children, aged five to 11, in late 2024/2025.

Likewise, regulatory filings for paediatric use of the tree tablet were recently accepted for review by the relevant authorities in Europe and Canada. Subject to approvals, the tree tablet could become available for children and adolescents in 2025 in Canada and Europe.

ALK's commercial organisation is also advancing the launch preparations for the above-mentioned children indications – a key initiative in the efforts to expand the tablet portfolio's reach to new patient groups.

In **Japan**, ALK's partner Torii is conducting a number of initiatives to expand manufacturing capacity for the cedar pollen tablet to overcome intermittent capacity limitations amidst high demand. Initiatives include a scheme to increase cedar pollen collection volumes and an upscaling of manufacturing capacity, which is expected to become operational from late 2025.

In **China**, ALK in June decided to withdraw its application for the HDM tablet after feedback from the authorities, indicating that additional clinical data in Chinese patients will be required to obtain approval. This was confirmed in a recent dialogue with the authorities and ALK is now evaluating the best possible approach to the fast-growing Chinese AIT market. Consequently, ALK's commercial plans and activities in China will be adapted to a new launch timeline (previously planned for 2025).

The second part of the phase I/II trial with the tablet for **peanut allergy** – ALK’s most advanced programme within food allergy – is progressing according to plans. Next results from the trial are still expected in H2 2024 and ALK has made a provisional decision to extend the trial with a third part to explore efficacy of the tablet as well. The development of a new, **next-generation autoinjector** (the Genesis project) also progresses as planned, and further administration forms are being evaluated to establish a portfolio of solutions for the treatment of acute life-threatening allergic reactions (anaphylaxis).

To facilitate the planned growth, efforts also progressed to expand **manufacturing capacity** for tablets to around 800 million units in 2030. Activities are also on track to establish the supply chain for the ongoing Genesis autoinjector development project and strengthen the existing supply chain for the Jext<sup>®</sup> autoinjector.

## Q2 SALES AND MARKET TRENDS

(Comparative figures for Q2 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

### Revenue by geography

DKKm	Q2 2024	Growth*	Share of revenue	Q2 2023
Europe	900	25%	65%	721
North America	241	3%	18%	232
Int'l markets	233	32%	17%	182
<b>Revenue</b>	<b>1,374</b>	<b>21%</b>	<b>100%</b>	<b>1,135</b>

\* In local currencies

Revenue in Europe was better than previously forecasted in the Q1 report and grew by 25% in local currencies to DKK 900 million (721) on double-digit growth in all product lines. Particularly sales of tablets and SLIT-drops exceeded expectations.

Double-digit sales growth was seen in most markets in Q2 – including the region’s largest markets; Germany, France, the Nordic countries, and the Benelux countries – as ALK further progressed its efforts to activate patients, prescribers, payers, and key opinion leaders.

European tablet sales grew by 35% against a weak quarter last year. The growth was primarily due to higher volumes driven by a strong inflow of new patients particularly in Central and Northern Europe during the past year, combined with certain price and rebate adjustments. The reversal of last year’s mandatory rebate increase in Germany influenced growth positively by more than 2 percentage points. Tablet sales in Germany continued to benefit from the accelerated market transition towards evidence-based, registered products, leading to high-double digit sales growth. ALK also saw a pick-up in the number of patients initiated on tablets in France. Furthermore, ALK continued to observe that Q2 tablet sales were

less influenced by pan-European trading patterns at wholesaler levels than previously.

Combined sales of SCIT/SLIT-drops increased by 15%. SCIT sales progressed well in most Central and Northern European markets, with growth in both the venom and non-venom sub-segments. Sales in main market Germany grew in solid double digits, supported by competitive dynamics and the market transition towards evidence-based products. SCIT sales were also influenced positively by certain price and rebate adjustments. Sales of SLIT-drops, which are predominantly marketed in France, exceeded expectations with growth linked to higher patient flow to existing and new allergy doctors.

Sales of Other products and services (predominantly the adrenaline pen Jext<sup>®</sup>, diagnostics, etc.) increased by 12%. European Jext<sup>®</sup> sales grew by 14% as market supply continued to normalise after last year’s supply limitations, caused by issues at a contract manufacturer from Q2 to Q4 2023.

### North America

Revenue in North America increased by 3% in local currencies to DKK 241 million (232).

Tablet sales increased by 29% and was positively influenced by higher realised selling prices in the USA and volume growth in both the USA and Canada.

Sales of bulk allergen extracts (SCIT) to US allergists, grew by 4% and growth has improved compared to the previous quarter. Sales of Other products (diagnostics, PRE-PEN<sup>®</sup> and life science products) fell short of expectations with a 9% decrease mainly due to lower PRE-PEN<sup>®</sup> sales. The integration of the newly acquired penicillin diagnostic operation progressed as planned, but sales continued to be impacted by stocking at wholesalers prior to ALK’s take-over in January.

### International markets

Revenue in International markets increased by 32% in local currencies to DKK 233 million (182). Growth was attributable to the timing of product shipments to China and Japan, the two largest markets in the region.

Revenue from China, especially from SCIT product shipments, grew by high double digits. Chinese in-market sales of SCIT products continued to show double-digit growth supported by the ongoing expansion of the prescriber base.

Revenue from Japan (product shipments and sales royalties) grew by double digits, mirroring continued growth in Torii’s in-market tablet sales, despite intermittent capacity limitations at Torii.

Tablet sales also progressed in Southeast Asia and other, minor international markets.

## Global revenue by product line

DKKm	Q2 2024	Growth*	Share of revenue	Q2 2023
SLIT-tablets	716	32%	52%	547
SCIT/ SLIT-drops	490	16%	36%	423
Other products	168	1%	12%	165
<b>Revenue</b>	<b>1,374</b>	<b>21%</b>	<b>100%</b>	<b>1,135</b>

\* In local currencies

## SIX-MONTH FINANCIAL REVIEW

(Comparative figures for H1 2023 are shown in brackets.  
Revenue growth rates are stated in local currencies, unless otherwise indicated)

**Revenue** exceeded expectations and increased by 15% in local currencies to DKK 2.725 million (2,369), mainly driven by a strong momentum for tablet sales, particularly in Europe. Exchange rates had an immaterial impact on reported revenue.

**Cost of sales** increased by 11% in local currencies to DKK 969 million (863). The **gross profit** of DKK 1,756 million (1,506) yielded a slightly improved gross margin of 64% (64%), mainly reflecting changes to the sales mix, improved pricing, and production efficiencies. As expected, these positive factors were somewhat offset by inflationary pressure on the cost base and minor one-off costs related to optimisation activities.

**Capacity costs** were unchanged at DKK 1,179 million (1,181). R&D expenses decreased 20% in local currencies to DKK 255 million after last year's completion of late-stage clinical trials. Sales and marketing expenses were up 7% in local currencies to DKK 741 million. Administration costs were DKK 183 million, an increase of 8% in local currencies, mainly related to costs linked to the Allergy+ strategy process. Optimisation of resources and general savings contributed positively to the overall cost development. Capacity costs included one-off costs associated with previously announced optimisation initiatives which mainly impacted Sales and marketing expenses.

One-off costs related to optimisations totalled DKK 38 million (0), and **EBIT (operating profit)** amounted to DKK 580 million (325), an improvement of 84% in local currencies and 78% in reported currency. The EBIT margin increased to 21% (14%). Progress was due to higher sales, gross margin improvements and a lower capacity cost-to-revenue ratio – the ratio was down to 43% (50%).

**Net financials** were a loss of DKK 2 million (a loss of 19) related to interest expenses partly offset by currency gains.

**Tax on the profit** totalled DKK 145 million (77), and the **net profit** increased to DKK 433 million (229).

**Cash flow from operating activities** was DKK 542 million (163), with higher earnings clearly offsetting changes in working capital, mainly related to planned inventory build-up to support revenue growth. **Cash flow from investment activities** was DKK minus 270 million (minus 211) as ALK continued to build up capacity for tablet production, upgrade its legacy production, and invest in the next generation adrenaline auto-injector. Investments also included the acquisition of the PRE-PEN® operation in the USA. **Free cash flow** was positive at DKK 272 million (negative at 48).

**Cash flow from financing** was DKK minus 329 million (minus 8), mainly related to repayment of loans.

At the end of June, ALK held 1,491,873 of its **own shares**, or 0.7% of the share capital, unchanged compared to the end of Q1 2024.

**Equity** totalled DKK 4.919 million (4,184) at the end of the half-year, and the equity ratio was 70% (65%).

## FULL-YEAR OUTLOOK FOR 2024

The full-year financial outlook has been upgraded primarily to reflect the strong sales of tablets and injection- and drop-based allergy immunotherapy products (SCIT/SLIT-drops) achieved in Europe. The sales growth in 2024 in Europe is influenced by a number of extraordinary factors, including a high number of new patients starting treatment over the past year, improved pricing and rebate adjustments as well as certain competitive dynamics in key markets. (Reference is made to Company Announcement no. 15/2024).

- ▶ Revenue is now expected to grow by 14-16% organically in local currencies (previously: 12-15%) on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is now expected to improve to 19-21% (previously: 18-20%) (up from 14% last year) mainly driven by the higher sales growth. One-off costs of DKK ~60 million related to optimisation efforts are included in the guidance.

The outlook is based on the following assumptions:

### Revenue

Europe is expected to deliver robust, double-digit revenue growth, while mid to high single-digit growth is projected in North America and International markets.

European tablet sales are expected to be the main growth driver. Growth in European tablet sales is expected at a level significantly above the growth in 2023, driven by an increased inflow of new patients and improved pricing. Growth will be supported by expansion of patient and prescriber bases, market share gains and the shift towards evidence-based

medicine in key markets. Tablet sales in North America and International markets are expected to grow, albeit at lower rates than in 2023. Growth in North America is expected to slow down in H2 2024 as a consequence of a lower impact from recent improvements to the average selling prices in the USA. Growth in Japan will continue to reflect intermittent capacity limitations at ALK's partner, despite recent improvements of yields in the production of active ingredients (ref. to page 4).

Fluctuations in quarterly tablet sales are expected, primarily reflecting the timing of product shipments to Japan.

Combined sales of SCIT/SLIT-drops are projected to grow by high single-digits, driven by both higher SCIT sales and improved SLIT-drops sales in Europe. Modest growth is anticipated for North American SCIT-sales.

Sales of other products are expected to grow by mid to high single digits, driven by the normalization of market supply of the adrenaline autoinjector Jext<sup>®</sup>. Sales of other products in North America are assumed to be flattish following continued market volatility.

### Margins

The gross margin is expected to increase by around 1 percentage point. The margin will benefit from changes to the sales mix, improved pricing and efficiencies. These factors will be somewhat offset by inflationary pressures in product supply.

### Capacity costs

The capacity cost-to-revenue ratio is expected to further improve as ALK capitalises on existing platforms to enhance efficiencies, reduces R&D spend and implements optimisation measures. R&D expenses are still projected to decline to around 10% of the expected revenue, while single digit increases are assumed for both sales and marketing expenses and administrative costs.

Around DKK 60 million in one-off costs associated with optimisation initiatives 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<sup>®</sup>, free cash flow is projected to increase. CAPEX investments are projected at around DKK 400 million, and ALK plans to continuously build up inventories in support of revenue growth.
- ▶ The outlook does not include any revenue from new 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 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	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 1	Phase 2	Phase 3	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 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 30 June 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, 22 August 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

### Board of Directors

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Chair

Lene Skole  
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Katja Barnkob

Nanna Rassov Carlson

Lars Holmqvist

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Bertil Lindmark

Alan Main

Lise Lund Mærkedahl

Johan Smedsrud

## INCOME STATEMENT FOR THE ALK GROUP

Q2 2024	Q2 2023	Amounts in DKKm	H1 2024	H1 2023
1,374	1,135	Revenue	2,725	2,369
507	428	Cost of sales	969	863
<b>867</b>	<b>707</b>	<b>Gross profit</b>	<b>1,756</b>	<b>1,506</b>
125	160	Research and development expenses	255	318
387	351	Sales and marketing expenses	741	694
93	99	Administrative expenses	183	169
2	-	Other operating items, net	3	-
<b>264</b>	<b>97</b>	<b>Operating profit (EBIT)</b>	<b>580</b>	<b>325</b>
5	(8)	Net financial items	(2)	(19)
<b>269</b>	<b>89</b>	<b>Profit before tax (EBT)</b>	<b>578</b>	<b>306</b>
68	23	Tax on profit	145	77
<b>201</b>	<b>66</b>	<b>Net profit</b>	<b>433</b>	<b>229</b>
<b>Earnings per share (EPS)</b>				
0.9	0.3	Earnings per share (EPS)	2.0	1.0
0.9	0.3	Earnings per share (DEPS), diluted	2.0	1.0

## STATEMENT OF COMPREHENSIVE INCOME

Q2 2024	Q2 2023	Amounts in DKKm	H1 2024	H1 2023
<b>201</b>	<b>66</b>	<b>Net profit</b>	<b>433</b>	<b>229</b>
<b>Other comprehensive income</b>				
<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>				
15	3	Foreign currency translation adjustment of foreign affiliates	42	(19)
<b>216</b>	<b>69</b>	<b>Total comprehensive income</b>	<b>475</b>	<b>210</b>

## CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	H1 2024	H1 2023
<b>Net profit</b>	<b>433</b>	229
Adjustments for non-cash items (note 3)	339	228
Changes in working capital	(177)	(237)
Financial income, received	8	4
Financial expenses, paid	(10)	(12)
Income taxes, paid (net)	(51)	(49)
<b>Cash flow from operating activities</b>	<b>542</b>	163
Acquisitions of companies and operations (note 4)	(115)	-
Investments in intangible assets	(23)	(37)
Investments in tangible assets	(133)	(176)
Investments in other financial assets	1	2
<b>Cash flow from investing activities</b>	<b>(270)</b>	(211)
<b>Free cash flow</b>	<b>272</b>	(48)
Exercised share options, paid	(37)	(20)
Repayment of lease liabilities	(22)	(16)
Proceeds from borrowings	-	75
Repayment of borrowings	(270)	(47)
<b>Cash flow from financing activities</b>	<b>(329)</b>	(8)
<b>Net cash flow</b>	<b>(57)</b>	(56)
<b>Cash beginning of year</b>	<b>474</b>	221
Unrealised gains/(losses) on cash held in foreign currency and financial assets carried as cash	3	-
<b>Net cash flow</b>	<b>(57)</b>	(56)
<b>Cash end of period</b>	<b>420</b>	165

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 2024	30 Jun 2023	31 Dec 2023
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	461	459	459
Other intangible assets	331	200	212
	<b>792</b>	659	671
<b>Tangible assets</b>			
Land and buildings	1,000	968	994
Plant and machinery	495	440	511
Other fixtures and equipment	75	75	80
Property, plant and equipment in progress	703	616	596
	<b>2,273</b>	2,099	2,181
<b>Other non-current assets</b>			
Prepayments	32	73	49
Deferred tax assets	661	723	659
Income tax receivables	209	197	198
	<b>902</b>	993	906
<b>Total non-current assets</b>	<b>3,967</b>	3,751	3,758
<b>Current assets</b>			
Inventories	1,593	1,391	1,423
Trade receivables	846	849	816
Receivables from group companies	-	18	-
Income tax receivables	29	35	34
Other receivables	34	54	74
Prepayments	156	194	147
Cash	420	165	474
<b>Total current assets</b>	<b>3,078</b>	2,706	2,968
<b>Total assets</b>	<b>7,045</b>	6,457	6,726

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

Amounts in DKKm	<b>30 Jun 2024</b>	30 Jun 2023	31 Dec 2023
<b>Equity</b>			
Share capital	111	111	111
Currency translation adjustment	24	1	(18)
Retained earnings	4,784	4,072	4,354
<b>Total equity</b>	<b>4,919</b>	4,184	4,447
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Mortgage debt	175	194	184
Pensions and similar liabilities	249	241	245
Lease liabilities	267	227	255
Provisions	1	-	1
Deferred tax liabilities	3	3	4
Deferred income	46	48	46
Income tax payables	231	203	230
	<b>972</b>	916	965
<b>Current liabilities</b>			
Mortgage debt	19	18	19
Bank loans	-	247	261
Trade payables	189	127	128
Lease liabilities	46	44	46
Deferred income	4	4	4
Provisions	29	4	2
Income tax payables	116	58	17
Other payables	751	855	837
	<b>1,154</b>	1,357	1,314
<b>Total liabilities</b>	<b>2,126</b>	2,273	2,279
<b>Total equity and liabilities</b>	<b>7,045</b>	6,457	6,726

## EQUITY FOR THE ALK GROUP

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
<b>Equity at 1 January 2024</b>	<b>111</b>	<b>(18)</b>	<b>4,354</b>	<b>4,447</b>
Net profit	-	-	433	433
Other comprehensive income	-	42	-	42
<b>Total comprehensive income</b>	<b>-</b>	<b>42</b>	<b>433</b>	<b>475</b>
Share-based payments	-	-	30	30
Share options settled	-	-	(37)	(37)
Tax related to items recognised directly in equity	-	-	4	4
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>(3)</b>
<b>Equity at 30 June 2024</b>	<b>111</b>	<b>24</b>	<b>4,784</b>	<b>4,919</b>
<b>Equity at 1 January 2023</b>	<b>111</b>	<b>20</b>	<b>3,857</b>	<b>3,988</b>
Net profit	-	-	229	229
Other comprehensive income	-	(19)	-	(19)
<b>Total comprehensive income</b>	<b>-</b>	<b>(19)</b>	<b>229</b>	<b>210</b>
Share-based payments	-	-	9	9
Share options settled	-	-	(20)	(20)
Tax related to items recognised directly in equity	-	-	(3)	(3)
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>(14)</b>
<b>Equity at 30 June 2023</b>	<b>111</b>	<b>1</b>	<b>4,072</b>	<b>4,184</b>

## NOTES

### 1 ACCOUNTING POLICIES

This non-audited interim report for the first six 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 six 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.

### 2 REVENUE AND SEGMENT INFORMATION

Amounts in DKKm	Europe		North America		International Markets		Total	
	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
SLIT-tablets	1,018	775	115	92	289	261	1,422	1,128
SCIT/SLIT-drops	744	666	175	175	71	92	990	933
Other products and services	130	117	162	174	21	17	313	308
<b>Total revenue</b>	<b>1,892</b>	<b>1,558</b>	<b>452</b>	<b>441</b>	<b>381</b>	<b>370</b>	<b>2,725</b>	<b>2,369</b>
Sale of goods							2,676	2,322
Royalties							48	46
Services							1	1
<b>Total revenue</b>							<b>2,725</b>	<b>2,369</b>

Growth, H1 2024	Europe		North America		International Markets		Total	
	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)
SLIT-tablets	31%	31%	24%	25%	14%	11%	27%	26%
SCIT/SLIT-drops	12%	12%	0%	0%	-20%	-23%	6%	6%
Other products and services	10%	11%	-6%	-7%	25%	24%	1%	2%
<b>Total revenue</b>	<b>21%</b>	<b>21%</b>	<b>3%</b>	<b>2%</b>	<b>6%</b>	<b>3%</b>	<b>15%</b>	<b>15%</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	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
SLIT-tablets	487	361	61	47	168	139	716	547
SCIT/SLIT-drops	345	300	92	88	53	35	490	423
Other products and services	68	60	88	97	12	8	168	165
<b>Total revenue</b>	<b>900</b>	<b>721</b>	<b>241</b>	<b>232</b>	<b>233</b>	<b>182</b>	<b>1,374</b>	<b>1,135</b>
Sale of goods							1,350	1,110
Royalties							23	24
Services							1	1
<b>Total revenue</b>							<b>1,374</b>	<b>1,135</b>

Growth, Q2 2024	Europe		North America		International Markets		Total	
	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)	Organic growth local currencies	Growth (reported)
SLIT-tablets	35%	35%	29%	30%	25%	21%	32%	31%
SCIT/SLIT-drops	15%	15%	4%	5%	55%	51%	16%	16%
Other products and services	12%	13%	-9%	-9%	51%	50%	1%	2%
<b>Total revenue</b>	<b>25%</b>	<b>25%</b>	<b>3%</b>	<b>4%</b>	<b>32%</b>	<b>28%</b>	<b>21%</b>	<b>21%</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	H1 2024	H1 2023
Tax on profit	145	77
Financial income and expenses	2	19
Share-based payments	30	9
Depreciation, amortisation and impairment	133	120
Other adjustments	29	3
<b>Total</b>	<b>339</b>	<b>228</b>



## NOTES

### 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)
<b>Cash acquisition cost</b>	<b>115</b>