Six-month interim report (Q2) 2023

August 24, 2023

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

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

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*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#

Attachment

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