

**ALK reports Q3 revenue up 11% and updates its full-year outlook**

ALK's revenue grew by 11% in Q3 driven by tablets and Jext<sup>®</sup>, with growth in all regions. Year-to-date revenue grew 13%, with tablet sales up 19% and profits up 27%. Based on stronger sales in the non-tablet portfolio, ALK is updating its full-year outlook.

**Q3 2022 financial highlights**

- ▶ Total revenue was up 11% in local currencies at DKK 1,062 million (928). Currencies had a positive effect of 3 percentage points, resulting in reported growth of 14%.
- ▶ Tablet sales increased 13% to DKK 458 million (398) which were slightly lower than expected. In addition, it builds on a very strong Q3 last year where sales were up 41%.
- ▶ Sales of Other products increased by 29%, primarily on strong sales of Jext<sup>®</sup> in Europe and life sciences products in North America, while combined sales of SCIT and SLIT-drops grew by 1%.
- ▶ Revenue in Europe was up 6%, with North America increasing 16%, and International markets up 24%.
- ▶ Operating profit (EBITDA) for the quarter was DKK 128 million (124), leading to an increase of 27% for the first nine months to DKK 507 million (398) on the double-digit sales growth and improved gross margin, while R&D and sales & marketing expenses grew largely as planned.

**Key events and strategic progress**

ALK continued to make progress on its strategic priorities and remained resilient in the light of world events. In Q3:

- ▶ The ongoing paediatric Phase III trials in allergic rhinitis (MT-12 and TT-06) progressed as planned and the first patients have been recruited for the Phase I trial (PT-01) with the SLIT-tablet treatment for peanut allergy.

**2022 financial outlook**

Based on current performance and expectations to sales of the non-tablet portfolio, ALK has updated its full-year outlook:

- ▶ Revenue is now expected to grow 11-13% in local currencies (previously: 10-13%) with higher-than-expected sales of the non-tablet portfolio. Tablet sales growth is now expected to be below 20% (previously: 20% or more), primarily based on a somewhat weaker performance in Europe.
- ▶ EBITDA is still expected to increase to DKK 675-750 million.

Hørsholm, 10 November 2022

**ALK-Abelló A/S**

*Comparative figures for 2021 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> where the relevant presentation is available shortly before the call begins. Please call in before 1.25 p.m. (CET). Danish participants should call in on tel. +45 7877 4197 and international participants should call in on tel. +44 808 101 1183 or +1 785 424 1603. Please use the Participant Pin Code: 40721#*

## FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	9M 2022	9M 2021	Q3 2022	Q3 2021	Full year 2021
<b>Income statement</b>					
Revenue	3,262	2,817	1,062	928	3,916
Operating profit before depreciation (EBITDA)	507	398	128	124	534
Operating profit (EBIT)	332	213	68	55	292
Net financial items	11	(8)	2	(1)	(13)
Profit before tax (EBT)	343	205	70	54	279
Net profit	257	143	52	37	219
Average number of employees (FTE)	2,604	2,480	2,655	2,502	2,492
<b>Balance sheet</b>					
Total assets	6,282	5,718	6,282	5,718	5,830
Invested capital	3,292	2,908	3,292	2,908	2,931
Equity	3,948	3,314	3,948	3,314	3,480
<b>Cash flow and investments</b>					
Depreciations, amortisation and impairment	175	185	60	69	242
Cash flow from operating activities	331	310	95	99	468
Cash flow from investing activities	(233)	(161)	(90)	(78)	(266)
- of which investment in intangible assets	(31)	(22)	(13)	(11)	(45)
- of which investment in tangible assets	(204)	(136)	(75)	(67)	(218)
Free cash flow	98	149	5	21	202
<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 *	121	135	121	135	172
Net asset value per share *	18	15	18	15	16
<b>Key figures</b>					
Gross margin – %	62	60	60	60	61
EBITDA margin – %	16	14	12	13	14
Equity ratio – %	63	58	63	58	60
Earnings per share (EPS) *	1.17	0.65	0.24	0.17	1.00
Earnings per share (DEPS), diluted *	1.16	0.65	0.23	0.17	0.99
Share price/Net asset value *	6.8	9.1	6.8	9.1	11.0

\* In March 2022, ALK-Abelló A/S has completed a share split at a ratio of 1:20, each existing share of a nominal value of DKK 10 has been split into 20 new shares of a nominal value of DKK 0.50 each. The company's share capital remains DKK 111,411,960. As a result of the share split, comparison figures for EPS, DEPS, share price, share number, net asset value per share and Share price/Net asset ratio have been restated accordingly.

## INCOME STATEMENT

Q3 2022	%	Q3 2021	%	Amounts in DKKm	9M 2022	%	9M 2021	%
1,062	100	928	100	Revenue	3,262	100	2,817	100
422	40	369	40	Cost of sales	1,242	38	1,122	40
<b>640</b>	<b>60</b>	<b>559</b>	<b>60</b>	<b>Gross profit</b>	<b>2,020</b>	<b>62</b>	<b>1,695</b>	<b>60</b>
161	15	147	16	Research and development expenses	480	15	452	16
412	39	357	38	Sales, marketing and administrative expenses	1,209	37	1,031	37
1	0	-	-	Other operating income and expenses	1	0	1	0
<b>68</b>	<b>6</b>	<b>55</b>	<b>6</b>	<b>Operating profit (EBIT)</b>	<b>332</b>	<b>10</b>	<b>213</b>	<b>7</b>
2	0	(1)	(0)	Net financial items	11	0	(8)	(0)
<b>70</b>	<b>6</b>	<b>54</b>	<b>6</b>	<b>Profit before tax (EBT)</b>	<b>343</b>	<b>10</b>	<b>205</b>	<b>7</b>
18	1	17	2	Tax on profit	86	2	62	2
<b>52</b>	<b>5</b>	<b>37</b>	<b>4</b>	<b>Net profit</b>	<b>257</b>	<b>8</b>	<b>143</b>	<b>5</b>
<b>128</b>	<b>12</b>	<b>124</b>	<b>13</b>	<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>507</b>	<b>16</b>	<b>398</b>	<b>14</b>

## PROGRESS ON THE STRATEGIC PRIORITIES

ALK continued to make progress on its strategic priorities in Q3 – succeed in North America, complete and commercialise the tablet portfolio, consumer engagement and new horizons, and optimise for excellence:

In North America, fundamental barriers to market evolution remain a challenge for the adoption of tablets in the USA. However, ALK remains committed to the market and continues to work with prescribers and engage digitally with consumers to mobilise allergy patients and increase tablet sales. Work to secure paediatric and adolescent indications for ACARIZAX<sup>®</sup>/ODACTRA<sup>®</sup> remained on track. In addition, ALK continued to assess new business models for its tablets in the USA.

Clinical development of the tablet portfolio continued. The paediatric Phase III trial in allergic rhinitis in Europe and North America for the house dust mite tablet (MT-12) stayed on track and, despite including participants from Ukraine and Russia, the number of patient dropouts has been minimal. The paediatric Phase III trial of the tree pollen tablet in Europe and Canada (TT-06) also included some participants in Russia, but this trial too saw minimal dropouts. Ongoing patient recruitment remained the primary focus in Q3, and both trials remain on course for completion in 2023. Top-line results for the paediatric Phase III trial of the house dust mite tablet (MT-11) in allergic asthma have now, as expected, confirmed that the COVID-related reductions in asthma exacerbations impaired the trial. Consequently, the total number of asthma exacerbations was significantly lower than originally planned for and the observed difference

between active and placebo treated subjects did not reach statistical significance.

Meanwhile, in China, ALK continued its preparations ahead of a regulatory submission of a Biologics Licence Application (BLA) for the house dust mite tablet, which is planned for late 2022. ALK's partner in China, Grandpharma, also continued its preparatory work ahead of a planned local registration and launch for Jext<sup>®</sup>.

Initiatives on the 'New horizons' priority also progressed and the first patients have been recruited for the Phase I trial (PT-01) with the SLIT-tablet treatment for peanut allergy. Work also continued on the two parallel adrenaline auto-injector (AAI) projects ahead of the planned submission to the US FDA in 2024.

In Q3, ALK continued to develop and leverage its digital ecosystem for consumers, patients and healthcare professionals with a focus on connecting candidates for allergy immunotherapy treatment with suitable doctors. In addition, ALK continued to pilot various approaches to ensuring mobilisation leads to treatment, where appropriate.

## Q3 SALES AND MARKET TRENDS

(Comparative figures for Q3 2021 are shown in brackets.  
Revenue growth rates are stated in local currencies, unless otherwise indicated)

### Revenue by geography

DKKm	Q3 2022	Growth*	Share of revenue	Q3 2021
Europe	683	6%	64%	640
North America	228	16%	22%	169
Int'l markets	151	24%	14%	119
<b>Revenue</b>	<b>1,062</b>	<b>11%</b>	<b>100%</b>	<b>928</b>

\* In local currencies

### Europe

Revenue in Europe increased 6% in local currencies to DKK 683 million (640).

Sales of tablets increased 13%, with growth impacted by destocking by wholesalers. Growth was also held back somewhat by a weak tree pollen season resulting in a slower start to the initiation season.

Combined SCIT and SLIT-drops sales were down 5%, largely due to the ongoing market transition in France and lower SCIT maintenance sales – a consequence of lost new patient initiations previously flagged in Q1 due to COVID and the temporary unavailability of some venom initiation products.

Income from other products was up 30%, predominantly on further strong sales for the adrenaline auto-injector, Jext<sup>®</sup>, which were up 36% in Europe and 40% globally, and which continue to benefit from supply issues in the wider market.

Pricing and reimbursement conditions remained stable across Europe, however a temporary mandatory rebate increase for 2023 of 5 percentage points for all prescription drugs has recently been decided by the authorities in Germany.

### North America

Sales in North America were up 16% in local currencies to DKK 228 million (169). Growth was seen across the portfolio but was strongest for other products, with a 32% increase attributable to continued demand for non-allergy-related life science products and for the penicillin allergy test, Pre-Pen<sup>®</sup>.

Tablet sales were up 8% in North America, as double-digit growth in Canada is still counteracted by a weak market development in the USA due to the above-mentioned, long-standing market barriers in the USA.

### International markets

Revenue from International markets increased by 24% in local currencies to DKK 151 million (119), which was broadly in line with in-market growth.

In Japan, growth was maintained for both MITICURE<sup>™</sup> and CEDARCURE<sup>™</sup> although new patient initiations were impacted by the ongoing

effects of COVID. Sales growth in China was also strong, despite intermittent regional measures to contain the spread of COVID.

### Global revenue by product line

DKKm	Q3 2022	Growth*	Share of revenue	Q3 2021
SCIT and SLIT-drops	407	1%	38%	388
SLIT-tablets	458	13%	43%	398
Other products and services	197	29%	19%	142
<b>Revenue</b>	<b>1,062</b>	<b>11%</b>	<b>100%</b>	<b>928</b>

\* In local currencies

## 9M FINANCIAL REVIEW

(Comparative figures for 2021 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

**9M revenue** increased by 13% in local currencies to DKK 3,262 million (2,817). Exchange rate fluctuations increased reported revenue growth for the first nine months by 3 percentage points so that reported growth was 16%.

**Cost of sales** increased 7% in local currencies to DKK 1,242 million (1,122). The gross profit of DKK 2,020 million (1,695) yielded an improved gross margin of 62% (60%), mainly reflecting increasing tablet sales and production efficiencies – although the gross margin was reduced somewhat 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. In Q3, costs of sales included one-time, extraordinary costs related to the discontinuation of a non-strategic product.

**Capacity costs** increased 11% in local currencies to DKK 1,689 million (1,483). As planned, R&D expenses were slightly above the level of 2021, reflecting ongoing clinical trial activities. Sales and marketing expenses increased by 13% in local currencies, and reflected investments in market expansion in China, a generally high activity level including medical events and congresses as well as restructuring costs associated with closing down activities in Turkey in Q2. Administrative expenses increased mainly due to IT and organisational development activities.

**EBITDA (operating profit before depreciation and amortisation)** increased 27% in reported currency to DKK 507 million (398), driven by higher sales and improved gross margin. Exchange rates had only a minor effect on operating profit.

**Net financials** were a gain of DKK 11 million (a loss of 8). **Tax on the profit** totalled DKK 86 million (62), and **net profit** increased 80% in reported currency to DKK 257 million (143).

**Cash flow from operating activities** was DKK 331 million (310) driven by higher earnings which were partly offset by changes in working capital due to the timing of payments. **Cash flow from investment activities** was DKK minus 233 million (minus 161), on the build-up of additional capacity for SLIT-tablet production, upgrades to legacy production, and investments for the in-house next generation adrenaline auto-injector, currently in development. **Free cash flow** was positive at DKK 98 million (149).

**Cash flow from financing activities** was DKK minus 80 million (minus 236), mainly relating to the repayment of borrowings.

At the end of September, ALK held 1,877,606 of its **own shares**, or 0.8% of the share capital, versus 1.3% at the end of 2021, and 1.5% at the end of September 2021.

**Equity** totalled DKK 3,948 million (3,314) at the end of September, and the equity ratio was 63% (58%).

Following the Annual General Meeting in March 2022, ALK completed a share split at a ratio of 1:20, so that each existing share, with a nominal value of DKK 10, was split into 20 new shares with a nominal value of DKK 0.50 each. After the share split, the company's share capital of DKK 111,411,960 was divided into 18,415,200 A shares, 1,841,520 AA shares and 202,567,200 B shares, each having a nominal value of DKK 0.50.

## Outlook for 2022

Based on current performance and expectations to sales of the non-tablet portfolio, ALK has updated its full-year outlook:

- ▶ Revenue is now expected to grow 11-13% in local currencies (previously: 10-13%) with higher-than-expected sales of the non-tablet portfolio. Tablet sales growth is now expected to be below 20% (previously: 20% or more), primarily based on a somewhat weaker performance in Europe.
- ▶ EBITDA is still expected to increase to DKK 675-750 million.

The updated financial outlook is based on the following assumptions:

### Revenue

Revenue growth is expected to be broad-based across all sales regions. The mid-point of the projected revenue range assumes that sales growth in Europe will be slightly below 10% (previously: around 10%) based on a somewhat weaker tablet performance. Sales growth in North America is now expected to exceed 10% (previously: around 10%), and growth in International markets is still expected to significantly exceed 10%.

In light of the current performance in Europe, North America and International markets, ALK now expects global tablet sales growth to be below 20% (previously: 20% or more) in 2022. In addition, ALK expects above 5% growth (previously: mid single-digit) from the remaining non-tablet portfolio, mainly driven by sales of SCIT products, the adrenaline auto-injector, Jext<sup>®</sup> and other life science products.

The higher end of the revenue range assumes continued strong revenue growth, across regions, with improved sales of legacy products and/or tablets. The lower end of the range incorporates further destocking in Europe, further negative effects from COVID, and/or lower demand e.g. as a consequence of the weak tree pollen season.

### Margins

The gross margin is now expected to improve by approximately 1 percentage point (previously: 1-2 p.p.) from 61% in 2021, driven by efficiencies and higher sales – especially from tablets. This now includes extraordinary, one-time costs related to the discontinuation of a non-strategic product and unplanned facility maintenance.

### Capacity costs

R&D costs are still expected at DKK 650-700 million. Sales and marketing costs are still expected to increase, reflecting investments in current and future growth drivers, including China. The ratio to revenue is still expected to improve versus 2021.

### Other assumptions

- ▶ The outlook assumes that patients in general will remain able and willing to visit healthcare professionals without significant limitations, although fluctuations may occur in some markets e.g. due to COVID.
- ▶ CAPEX is still projected to be slightly below DKK 400 million, and free cash flow is now expected to be positive, influenced by strategic investments and changes in working capital, including timing of payments.
- ▶ The impact from the ongoing inflationary pressure on gross margin and capacity costs is still projected to be modest in 2022.
- ▶ The outlook does not include any revenue from acquisitions, new partnerships or the in-licensing of adjacent products and services, nor does it include any sizeable payments related to M&As or in-licensing activities.
- ▶ The outlook is based on current exchange rates, resulting in a positive effect of approximately 3 percentage points on reported revenue growth and an immaterial effect on reported EBITDA.

Revenue growth rates are stated in local currencies, unless otherwise indicated.

## 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

6 January 2023

Annual report 2022

3 February 2023

## 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 and the most common food allergy.

	Phase I	Phase II	Phase III	Filing	Marketed
<b>GRAZAX® / GRASTEK®</b> Europe, North America & International markets Adults and children – Allergic rhinitis (grass)	█	█	█	█	2007-17
<b>RAGWIZAX® / RAGWITEK®</b> Europe, North America & International markets Adults and children – Allergic rhinitis (ragweed)	█	█	█	█	2014-21
<b>ACARIZAX®</b> Europe & International markets Adults – Allergic rhinitis and allergic asthma (HDM) Adolescents – Allergic rhinitis (HDM)	█	█	█	█	2016-21
<b>ACARIZAX® / ODACTRA®</b> North America Adults – Allergic rhinitis (HDM)	█	█	█	█	2017-18
<b>MITICURE™</b> Japan* Adults and children – Allergic rhinitis (HDM)	█	█	█	█	2015-18
<b>ACARIZAX®</b> China Adults – Allergic rhinitis (HDM)	█	█	█		
<b>ACARIZAX® / ODACTRA®</b> Europe & North America Children – Allergic asthma (HDM)	█	█	█		
<b>ACARIZAX® / ODACTRA®</b> Europe & North America Children – Allergic rhinitis (HDM)	█	█	█		
<b>ODACTRA®</b> North America Adolescents – Allergic rhinitis (HDM)	█	█	█	█	
<b>CEDARCURE™</b> Japan* Adults and children – Allergic rhinitis (Japanese cedar)	█	█	█	█	2018
<b>ITULAZAX® / ITULATEK™</b> Europe & Canada Adults – Allergic rhinitis (tree: birch family)	█	█	█	█	2019-20
<b>ITULAZAX® / ITULATEK™</b> Europe & Canada Children – Allergic rhinitis (tree: birch family)	█	█	█		
<b>Peanut SLIT-tablet</b> North America & Europe Adults, adolescents and children – food allergy (accidental peanut exposure)	█				

\* 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 September 2022. 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 2022. 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 2021.

**Hørsholm, 10 November 2022**

### 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

Alan Main

Jakob Riis

Johan Smedsrud



## INCOME STATEMENT FOR THE ALK GROUP

Q3 2022	Q3 2021	Amounts in DKKm	9M 2022	9M 2021
1,062	928	Revenue	3,262	2,817
422	369	Cost of sales	1,242	1,122
<b>640</b>	<b>559</b>	<b>Gross profit</b>	<b>2,020</b>	<b>1,695</b>
161	147	Research and development expenses	480	452
345	294	Sales and marketing expenses	1,009	862
67	63	Administrative expenses	200	169
1	-	Other operating items, net	1	1
<b>68</b>	<b>55</b>	<b>Operating profit (EBIT)</b>	<b>332</b>	<b>213</b>
2	(1)	Net financial items	11	(8)
<b>70</b>	<b>54</b>	<b>Profit before tax (EBT)</b>	<b>343</b>	<b>205</b>
18	17	Tax on profit	86	62
<b>52</b>	<b>37</b>	<b>Net profit</b>	<b>257</b>	<b>143</b>
		<b>Earnings per share (EPS)</b>		
0.24	0.17	Earnings per share (EPS)	1.17	0.65
0.23	0.17	Earnings per share (DEPS), diluted	1.16	0.65

In March 2022, ALK-Abelló A/S has completed a share split at a ratio of 1:20, each existing share of a nominal value of DKK 10 has been split into 20 new shares of a nominal value of DKK 0.50 each. The company's share capital remains DKK 111,411,960. As a result of the share split, comparison figures for EPS and DEPS have been restated accordingly.

## STATEMENT OF COMPREHENSIVE INCOME

Q3 2022	Q3 2021	Amounts in DKKm	9M 2022	9M 2021
<b>52</b>	<b>37</b>	<b>Net profit</b>	<b>257</b>	<b>143</b>
		<b>Other comprehensive income</b>		
		<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>		
78	27	Foreign currency translation adjustment of foreign affiliates	171	59
<b>130</b>	<b>64</b>	<b>Total comprehensive income</b>	<b>428</b>	<b>202</b>

## CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	<b>9M 2022</b>	9M 2021
<b>Net profit</b>	<b>257</b>	143
Adjustments for non-cash items (note 3)	279	316
Changes in working capital	(88)	(15)
Financial income, received	4	-
Financial expenses, paid	(11)	(19)
Income taxes, paid (net)	(110)	(115)
<b>Cash flow from operating activities</b>	<b>331</b>	310
Investments in intangible assets	(31)	(22)
Investments in tangible assets	(204)	(136)
Investments in other financial assets	2	(3)
<b>Cash flow from investing activities</b>	<b>(233)</b>	(161)
<b>Free cash flow</b>	<b>98</b>	149
Sale of treasury shares	40	17
Exercised share options, paid	(10)	(72)
Repayment of lease liabilities	(22)	(19)
Proceeds from borrowings	-	297
Repayment of borrowings	(88)	(459)
<b>Cash flow from financing activities</b>	<b>(80)</b>	(236)
<b>Net cash flow</b>	<b>18</b>	(87)
<b>Cash beginning of year</b>	<b>194</b>	298
Unrealised gains/(losses) on cash held in foreign currency and financial assets carried as cash	12	4
Net cash flow	18	(87)
<b>Cash end of period</b>	<b>224</b>	215

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 2022	30 Sep 2021	31 Dec 2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	467	456	457
Other intangible assets	174	152	165
	<b>641</b>	608	622
<b>Tangible assets</b>			
Land and buildings	1,033	951	958
Plant and machinery	439	446	451
Other fixtures and equipment	76	77	80
Property, plant and equipment in progress	474	276	325
	<b>2,022</b>	1,750	1,814
<b>Other non-current assets</b>			
Receivables	29	29	29
Deferred tax assets	767	694	790
Income tax receivables	181	162	172
	<b>977</b>	885	991
<b>Total non-current assets</b>	<b>3,640</b>	3,243	3,427
<b>Current assets</b>			
Inventories	1,301	1,180	1,204
Trade receivables	701	588	583
Receivables from group companies	53	26	12
Income tax receivables	60	123	14
Other receivables	63	68	82
Prepayments	240	275	314
Cash	224	215	194
<b>Total current assets</b>	<b>2,642</b>	2,475	2,403
<b>Total assets</b>	<b>6,282</b>	5,718	5,830

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

Amounts in DKKm	<b>30 Sep 2022</b>	30 Sep 2021	31 Dec 2021
<b>Equity</b>			
Share capital	111	111	111
Currency translation adjustment	130	(66)	(41)
Retained earnings	3,707	3,269	3,410
<b>Total equity</b>	<b>3,948</b>	3,314	3,480
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Mortgage debt	208	226	222
Pensions and similar liabilities	333	351	324
Lease liabilities	237	205	207
Deferred tax liabilities	-	-	1
Deferred income	50	45	42
Income taxes	169	152	169
	<b>997</b>	979	965
<b>Current liabilities</b>			
Mortgage debt	18	18	18
Bank loans	150	298	226
Trade payables	124	125	115
Lease liabilities	40	34	37
Deferred income	4	1	4
Provisions	2	2	12
Income taxes payables	76	62	23
Other payables	923	885	950
	<b>1,337</b>	1,425	1,385
<b>Total liabilities</b>	<b>2,334</b>	2,404	2,350
<b>Total equity and liabilities</b>	<b>6,282</b>	5,718	5,830

## EQUITY FOR THE ALK GROUP

Amounts in DKKm	Share capital	Currency translation adjustment	Retained earnings	Total equity
<b>Equity at 1 January 2022</b>	<b>111</b>	<b>(41)</b>	<b>3,410</b>	<b>3,480</b>
Net profit	-	-	257	257
Other comprehensive income	-	171	-	171
<b>Total comprehensive income</b>	<b>-</b>	<b>171</b>	<b>257</b>	<b>428</b>
Share-based payments	-	-	23	23
Share options settled	-	-	(10)	(10)
Sale of treasury shares	-	-	40	40
Tax related to items recognised directly in equity	-	-	(13)	(13)
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>40</b>
<b>Equity at 30 September 2022</b>	<b>111</b>	<b>130</b>	<b>3,707</b>	<b>3,948</b>
<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>

## NOTES

### 1 ACCOUNTING POLICIES

This non-audited interim report for the first nine months of 2022 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 2022 follows the same accounting policies as the annual report for 2021, except for new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2022. 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	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
SCIT/SLIT-drops	872	907	256	216	108	49	1,236	1,172
SLIT-tablets	1,098	940	114	87	309	238	1,521	1,265
Other products and services	217	167	261	187	27	26	505	380
<b>Total revenue</b>	<b>2,187</b>	<b>2,014</b>	<b>631</b>	<b>490</b>	<b>444</b>	<b>313</b>	<b>3,262</b>	<b>2,817</b>
Sale of goods							3,191	2,762
Royalties							64	55
Services							7	-
<b>Total revenue</b>							<b>3,262</b>	<b>2,817</b>

Growth, 9M 2022	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	-4%	-4%	5%	19%	107%	120%	2%	5%
SLIT-tablets	16%	17%	18%	31%	30%	30%	19%	20%
Other products and services	29%	30%	24%	40%	0%	4%	24%	33%
<b>Total revenue</b>	<b>8%</b>	<b>9%</b>	<b>14%</b>	<b>29%</b>	<b>40%</b>	<b>42%</b>	<b>13%</b>	<b>16%</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 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
SCIT/SLIT-drops	279	293	91	74	37	21	407	388
SLIT-tablets	314	278	36	29	108	91	458	398
Other products and services	90	69	101	66	6	7	197	142
<b>Total revenue</b>	<b>683</b>	<b>640</b>	<b>228</b>	<b>169</b>	<b>151</b>	<b>119</b>	<b>1,062</b>	<b>928</b>
Sale of goods							1,040	907
Royalties							22	21
Services							-	-
<b>Total revenue</b>							<b>1,062</b>	<b>928</b>

Growth, Q3 2022	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	-5%	-5%	5%	23%	64%	76%	1%	5%
SLIT-tablets	13%	13%	8%	24%	18%	19%	13%	15%
Other products and services	30%	30%	32%	53%	-8%	-14%	29%	39%
<b>Total revenue</b>	<b>6%</b>	<b>7%</b>	<b>16%</b>	<b>35%</b>	<b>24%</b>	<b>27%</b>	<b>11%</b>	<b>14%</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 2022	9M 2021
Tax on profit	86	62
Financial income and expenses	(11)	8
Share-based payments	23	22
Depreciation, amortisation and impairment	175	185
Other adjustments	6	39
<b>Total</b>	<b>279</b>	<b>316</b>