

Allergy solutions for life

IR roadshow
presentation

November 2021

Collection of catkins
from ALK's birch tree
orchard in Post Falls,
Idaho. Allergenic
source materials are
the main ingredients of
ALK's allergy
immunotherapy
products

The ALK logo consists of a stylized globe icon made of a grid of dots, followed by the letters 'ALK' in a bold, white, sans-serif font.

Allergy solutions for life

More than 500 million people worldwide have allergies. Many of them suffer in silence because the way ahead is too confusing.

By collecting information and the latest and most trusted solutions together in one place, we want to make allergy surprisingly simple to manage. With 100 years of experience, nobody knows allergy like us, and we continuously apply our scientific knowledge and expertise to help people take control of their allergy and their life.

We want to make a difference by offering solutions for everyone who is touched by allergy – through a comprehensive range of products, services and resources that offer a fast-track to a more balanced life

ALK at a glance

The global leader in allergy immunotherapy (AIT)



Established

1923



Employees

2,600



Markets

41



Patients in treatment
with ALK products*

2m



The number of the most common
global respiratory allergies covered
by ALK's tablet portfolio

5



Participated in clinical
trials for the tablets

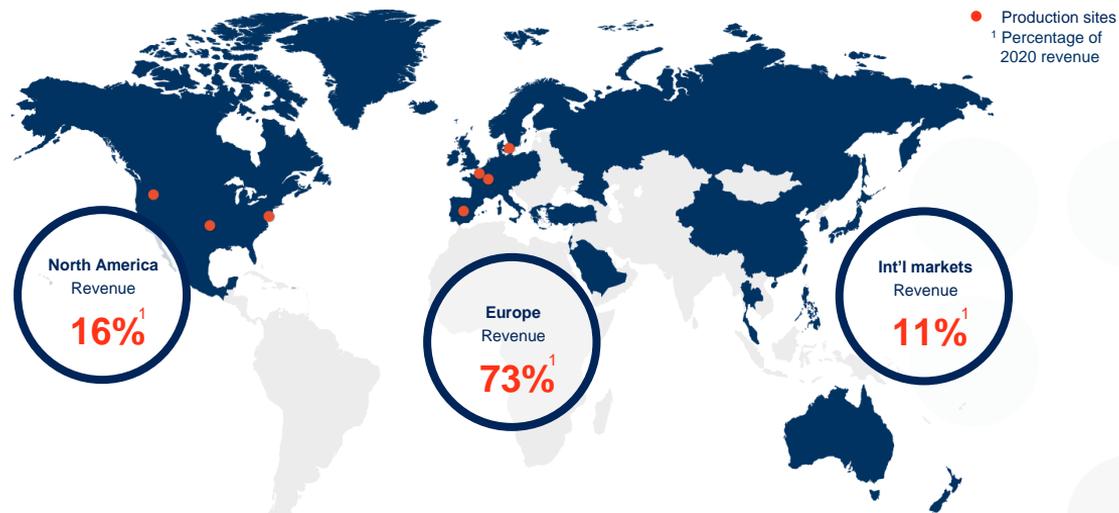
23,000

* Covering AIT and anaphylaxis



ALK's global presence

Allergy solutions for life

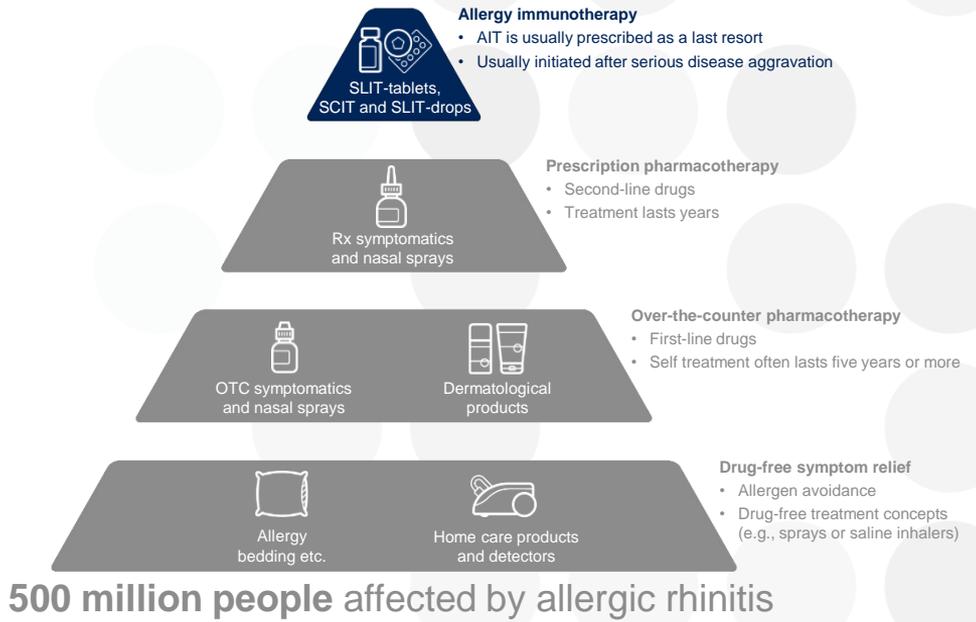


The market for AIT treatment

Characterised by undertreatment of severe allergies



50 million people
eligible for AIT treatment



Becoming the 'go-to' allergy company

Transformation successfully completed, now towards '25 in 25'

2018-20

Transformation & growth

- 37% avg. tablet growth (CAGR)
- Cumulative earnings DKK 800m ahead of plan
- Past issues cleaned up
- Strong growth foundations

2021-23

Growth & profitability

- $\geq 10\%$ organic growth p.a. driven by tablets
- Increase profitability (EBIT)
- Expand respiratory allergy leadership
- Fast-track tomorrow's opportunities, e.g. food

2025

EBIT margin

~25%

Relentless focus on strategy execution

Sustain high growth



Continue tablet-fuelled growth momentum



Expand global leadership in respiratory AIT



Become relevant for many more allergy sufferers



Enter food allergy
Expand in anaphylaxis

Become profitable

Succeed in North America

Complete and commercialise tablet portfolio

Consumer engagement and new horizons

Optimise for excellence



Lead the way – people and planet

Strategy prioritises strength, growth & leadership

9M 2021 status

Succeed in North America

Targets



>10% growth

Tablet sales up 67%, legacy and other products up on US market recovery

Complete and commercialise tablet portfolio for all relevant ages

Targets



Paediatric & adolescent development

Recruitment for paediatric allergic rhinitis trials for house dust mite and tree on track

Targets



Complete & commercialise tablet portfolio

ALK assessing next steps for paediatric allergic asthma trial & China registration trial for HDM

Consumer engagement and new horizons

Targets



Mobilise 250k patients

>300,000 consumers mobilised via digital channels across all markets

Targets



Innovation

Food AIT: Successful feasibility study paves way for Phase I start-up in H1 2022

Optimise for excellence

Targets



Portfolio rationalisation

Year-to-date: 1,334 regulatory changes submitted to 40 regulatory authorities

Targets



Production efficiency

Supply chain, inventory levels and distribution channels remain robust

Jext[®] to be launched as first autoinjector in China

Partnership with leading Chinese supplier of adrenaline, Grandpharma

Agreement to accelerate long-term growth

- Grandpharma to register and sell Jext[®] in China, Macau and Taiwan
- Jext[®] would be first AAI to market in China
- Initial launch in southern China under special licence
- Upfront and registration milestone payments totalling ~DKK 90 million
- ALK will receive revenue from the supply of products to Grandpharma



Growing Chinese allergy market

- China is the second largest HDM AIT market in the world
- +50 ALK employees in four sales offices, upgraded organisation
- ALK products: Alutard[®] HDM and Soluprick SQ
- ACARIZAX[®] Phase III registration trial in China still paused due to COVID



Focus on new food allergy solutions

Funded internal development programme now included in strategy

Sublingual, disruptive solutions

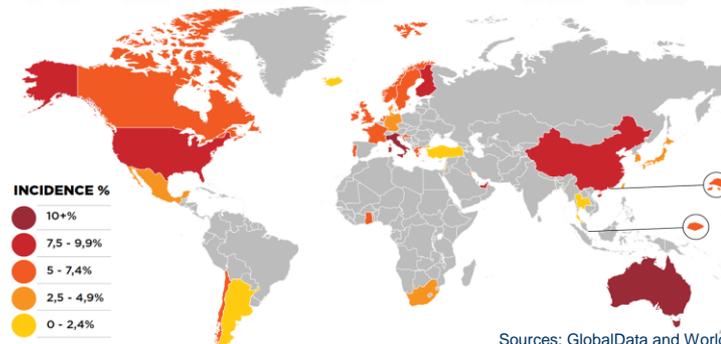
- Focus on allergies with the highest unmet need in children: Initially peanut, then tree nuts
- Sublingual, prescription-based treatments, building on ALK core competencies
- Aspire to deliver solution with high efficacy and benign safety



Significant market potential

- Food allergies affect ~2.5% of global population
- Life-threatening condition
- Peanut, tree nuts, milk and egg account for most food allergy reactions in pre-school children
- Many peanut & tree nut cases persist into adulthood

Prevalence of food allergies

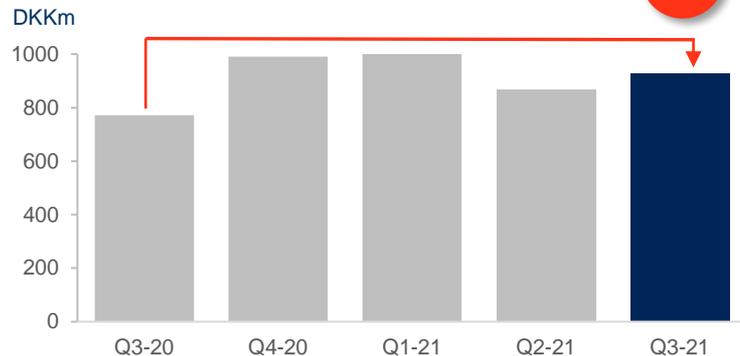


Sources: GlobalData and Worldallergy.org

Q3 revenue up 20%, 2021 full-year outlook updated

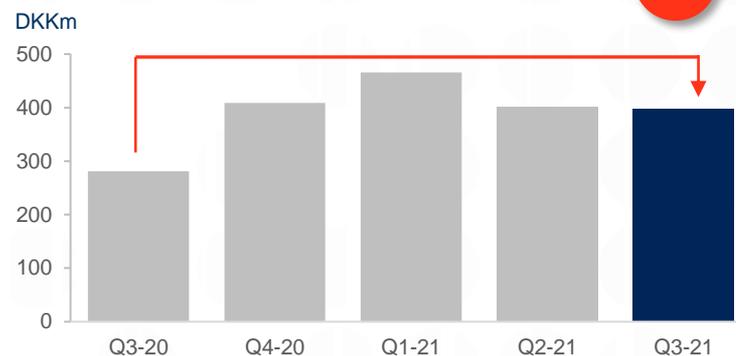
- Tablet sales up 41%, legacy products continue to recover.
- EBITDA up at DKK 124m (58) on strong sales and improved gross margin.
- FY outlook updated on better than expected performance.
- Strategy progress: Rx guidelines in Germany, food tablet feasibility study, supply chain robustness...

Group revenue



Sales growth rates are in local currencies

Global tablet sales



Key figures

Q3 revenue up 20%, with tablets up 41%. Outlook for 2021 updated on improved sales and gross margin

DKKm	2021E*	2020	2019
Revenue	11 - 12%	3,491	3,274
Tablet sales growth	~25% or slightly above	42%	45%
Gross margin	~60%	58%	58%
R&D	~625	515	466
Sales/Marketing and Adm.	-	1,362	1,456
EBITDA	500 - 550	395	241
CAPEX	~250	222	167
Free cash flow	Positive: ~200	56	(25)

* based on the 2021 guidance issued on 11 November 2021

Appendix





Pioneer since 1923 – Prevention, Diagnosis & Treatment

Leader in disease modifying allergy immunotherapy (AIT)

World's 1st producer of sublingual AIT tablets (SLIT-tablets)

Full-year financial outlook updated

2021	5 Feb Outlook	5 May Outlook	9 Aug Outlook	11 Nov Outlook	Comments	2020 actuals
Revenue	+8-12% (l.c.)	+9-12% (l.c.)	+10-12% (l.c.)	+11-12% (l.c.)	<ul style="list-style-type: none"> • FY tablet growth still at 25% or slightly above • Improved SCIT/SLIT-drops sales outlook • <1 p.p. negative impact from currencies 	3,491m
EBITDA	DKK 325-425m	DKK 375-425m	DKK 450-500m	DKK 500-550m	<ul style="list-style-type: none"> • Gross margin now expected to grow ~2 p.p. (previously 1-2 p.p.) • General cost savings • R&D now ~DKK 625m (prev: slightly below 650m) • Sales and marketing costs to normalise gradually 	395m
Free cash flow	DKK -200-300m	~DKK -200m	~DKK -100m	~DKK +200m	<ul style="list-style-type: none"> • Improved earnings • CAPEX ~DKK 250m (previously 250-300m) • Accrued rebates repayment now expected in 2022 (prev: DKK 175m) 	56m

Assumptions: Current exchange rates. No new revenue from acquisitions and/or partnerships. No new sizeable payments for M&A/in-licensing.

9M: Revenue and segment information

	Europe		North America		International markets		Total	
Amounts in DKKm	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020	9M 2021	9M 2020
SCIT/SLIT-drops	907	929	216	200	49	67	1,172	1,196
SLIT-tablets	940	718	87	63	238	180	1,265	961
Other products and services	167	169	187	155	26	19	380	343
Total revenue	2,014	1,816	490	418	313	266	2,817	2,500
Sale of goods							2,762	2,455
Royalties							55	41
Services							-	4
Total revenue							2,817	2,500

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

Geographical markets (based on customer location):

Europe comprises the EU, the UK, Norway and Switzerland — **North America** comprises the USA and Canada — **International markets** comprise Japan, China and all other countries

Profitability (EBITDA) up 20%

Driven by sales growth and improved gross margin

DKK million	9M 2020	9M 2021
Revenue	2,500	2,817
Gross profit	1,449	1,695
Gross margin	58%	60%
Capacity costs	1,289	1,483
EBITDA	331	398
EBIT	159	213
Free cash flow	(67)	149
Cash/credit facilities	780	1,415

Positive impact of continued tablet growth

R&D spend increased as planned by 35%

Sales & Marketing up 11% on gradual normalisation of activities

Unused credit facilities of DKK 1.2bn

Allergy at a glance

Allergies occur when the body's immune system overreacts to substances that are usually considered harmless, such as various types of pollen, house dust mites, moulds and animal fur.

Symptoms of respiratory allergies

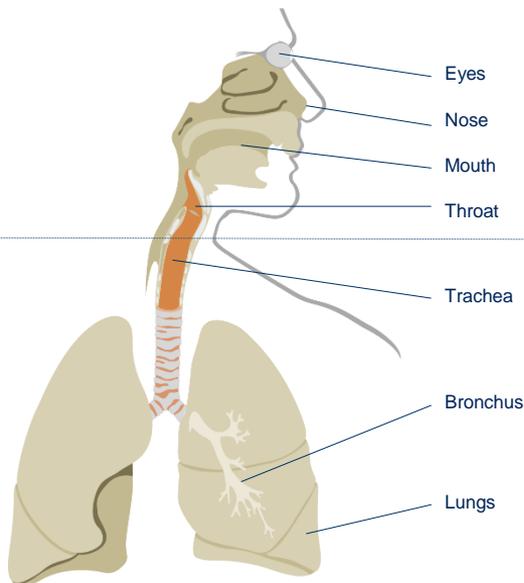
Respiratory allergies can affect both the upper and lower respiratory tract.

Upper respiratory tract – allergic rhinitis

Running or blocked nose, itchy eyes, sneezing.

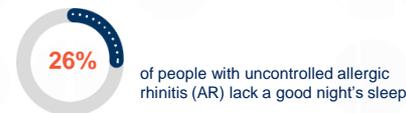
Lower respiratory tract – allergic rhinitis

Shortness of breath, narrowed airways, coughing, wheezing.



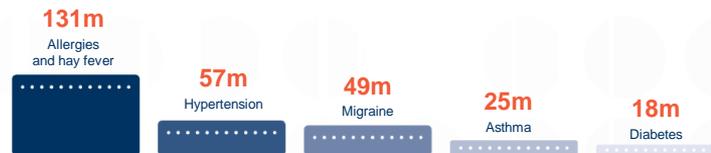
Insufficient sleep

Allergies can impact the amount of sleep we get:



Lost work days

Allergy is also a leading cause of lost work days*, outstripping other conditions in its cost to businesses:



* Work days lost in the USA to chronic conditions

Lower quality of life

Allergies have a significant impact on quality of life and our ability to get things done:



Allergic Rhinitis is more than a seasonal annoyance



Infections

Increased risk of **respiratory infections** and antibiotics use³



Disease progression & severity

More likely to have **poorly controlled asthma**^{5*}



Sleep disturbance

Nocturnal symptoms impacting sleep, which is linked to **poorer QoL**⁶



Performance

Associated with **reduced productivity** and cognitive effects, impacting work and school performance⁷⁻⁹



Future vulnerability

Increased **risk of developing asthma**^{4,10} and other upper airway disease (e.g. rhinosinusitis)⁴

1. *Clin Trans Allergy* 2015;5:39. 2. *Allergy* 2007;62:17–25. 3. *Ann Allergy Asthma Immunol* 2018;120:169-76. 4. *J Fam Pract* 2012;61:S11-S15. 5. *Prim Care Respir J* 2012;21:222-8. 6. *J Allergy Clin Immunol* 94:182–8. 7. *Am J Rhinol Allergy* 2012; 26:390-94. 8. *J Clin Epidemiol* 2001;54:610–18 9. *Allergy Clin Immunol* 2007;120:381-7 10. *J Allergy Clin Immunol* 2007;120:863-95

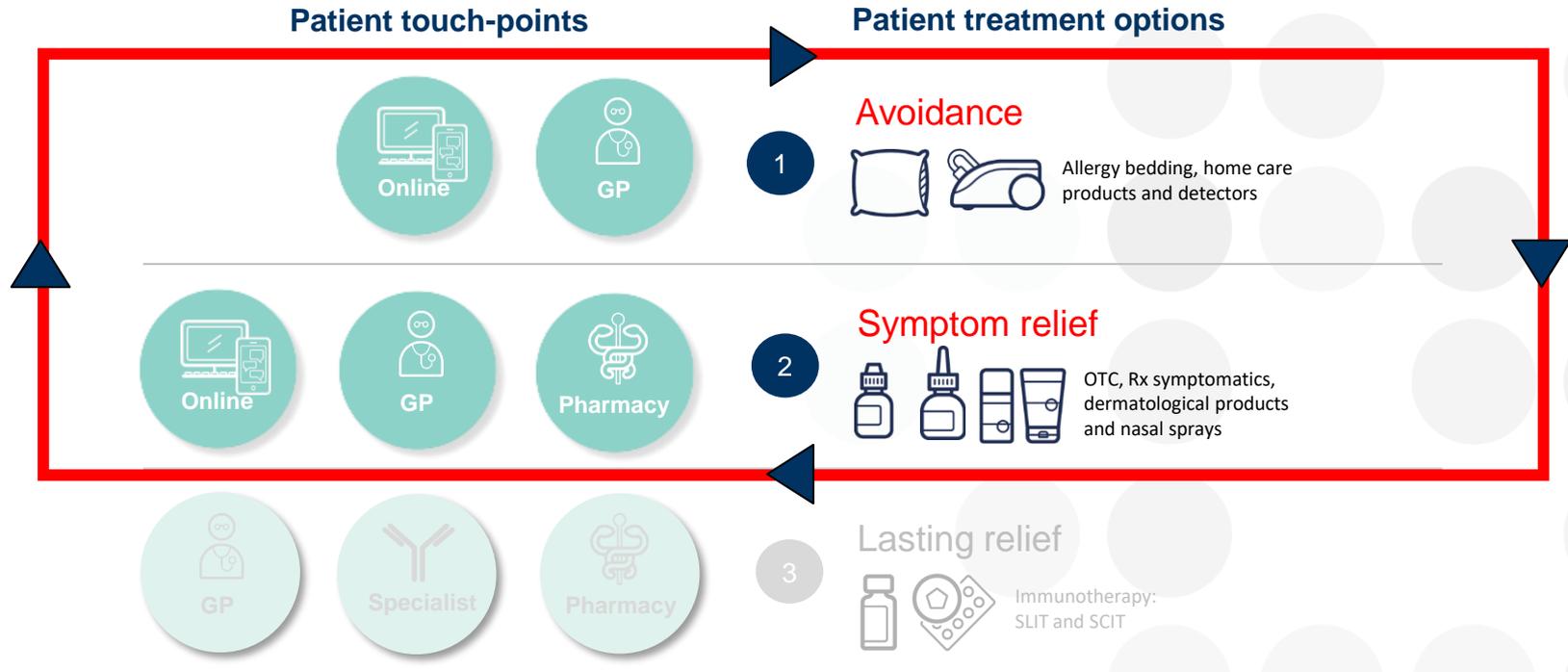
Treatment strategies in allergy

Patient touch-points

Patient treatment options



Patients caught in self-management circle



Treatment strategies in allergy

- Low level of diagnosis
- Low level of patient disease understanding
- Low patient knowledge of treatment options
- Lack of HCP incentives & referral
- Perception of cost vs relief



3

Lasting relief



Immunotherapy:
SLIT and SCIT

Only 1% on AIT

500m
affected by allergic rhinitis

50m
eligible for AIT

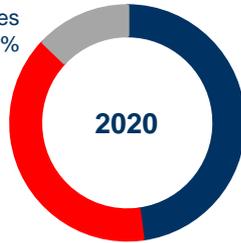
5m
on AIT

ALK's current portfolio

Revenue by product line

Other products and services
13%

SLIT-tablets
39%

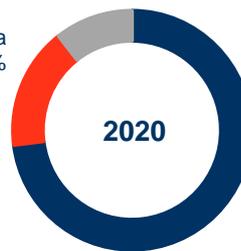


SCIT/SLIT-drops
48%

Revenue by geography

International markets
11%

North America
16%



Europe
73%



ALK's core products

Market exclusivity secured via biological manufacturing processes and know-how

ALK offers products, services and resources covering a wide range of allergies. The company also has products in related areas, including early allergy intervention, diagnosis and emergency treatment

ALK's AIT products come in three different forms:

Injections: Subcutaneous immunotherapy (SCIT) is given as regular injections under the skin. The treatment is administered by a doctor

Sublingual drops: sublingual immunotherapy (SLIT) is taken in the form of drops administered under the tongue. Patients administer the drops themselves, avoiding the need for regular visits to the doctor

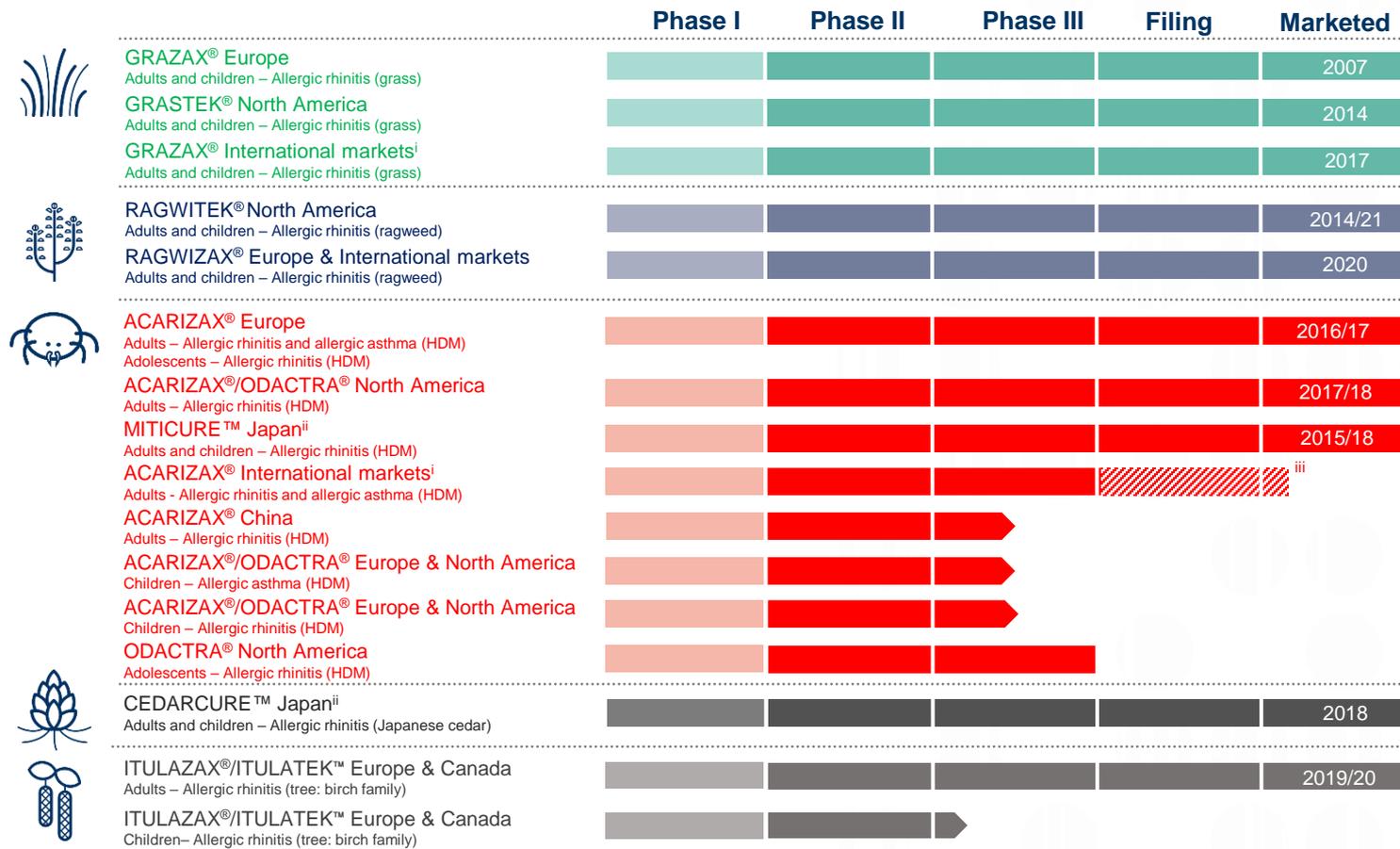
Tablets: SLIT-tablets are administered by the patient at home and are available for all the most important respiratory allergies. Tablet-based AIT is the most well-documented allergy treatment

Manufacturing footprint

Centres of excellence



SLIT-tablet portfolio covers >80% of respiratory allergies



~23,000

people participated in clinical development of the tablets which saw 21 Phase III trials

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

ii. Licensed to Torii for Japan

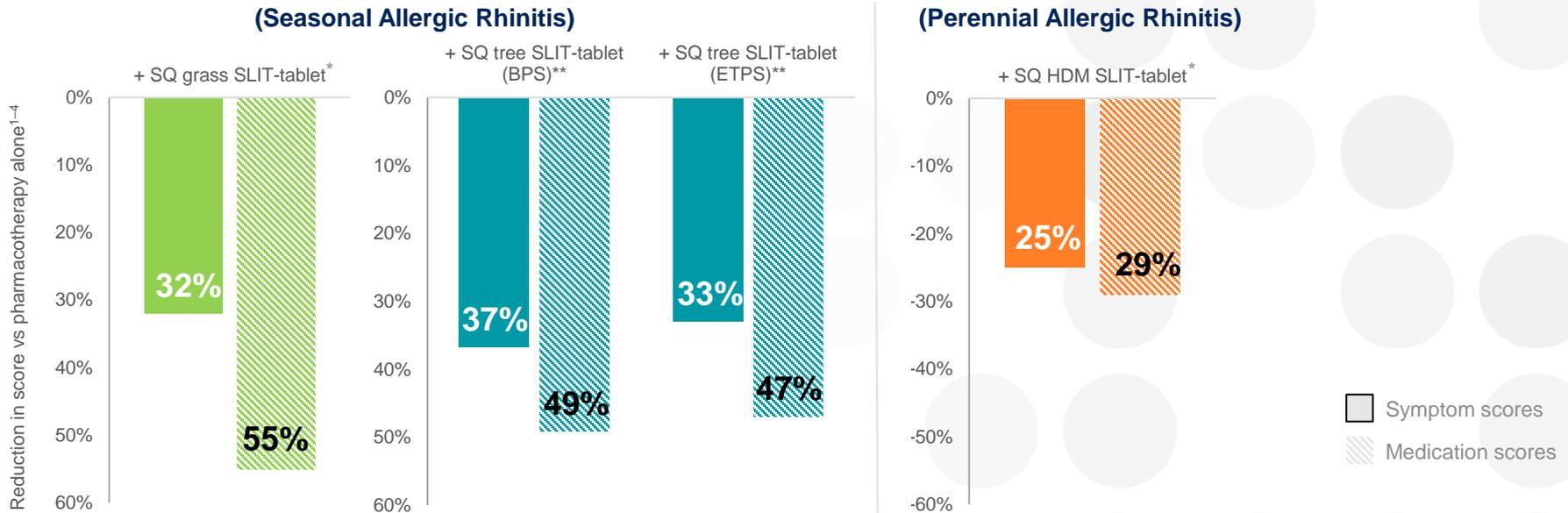
iii. Already marketed in selected markets

SLIT-tablet characteristics

- 1 Allergen extract sourced from native allergens (e.g. grass pollen, tree pollen, ragweed pollen, cedar pollen, house dust mites)
- 2 Fast-dissolving freeze-dried tablet formulation utilising Zydis® technology
- 3 Consistent quality ensured by the highly standardised production process
- 4 Once-daily home administration



Consistent improvement in allergy symptoms for **seasonal** and **perennial** allergies with SQ SLIT-tablets

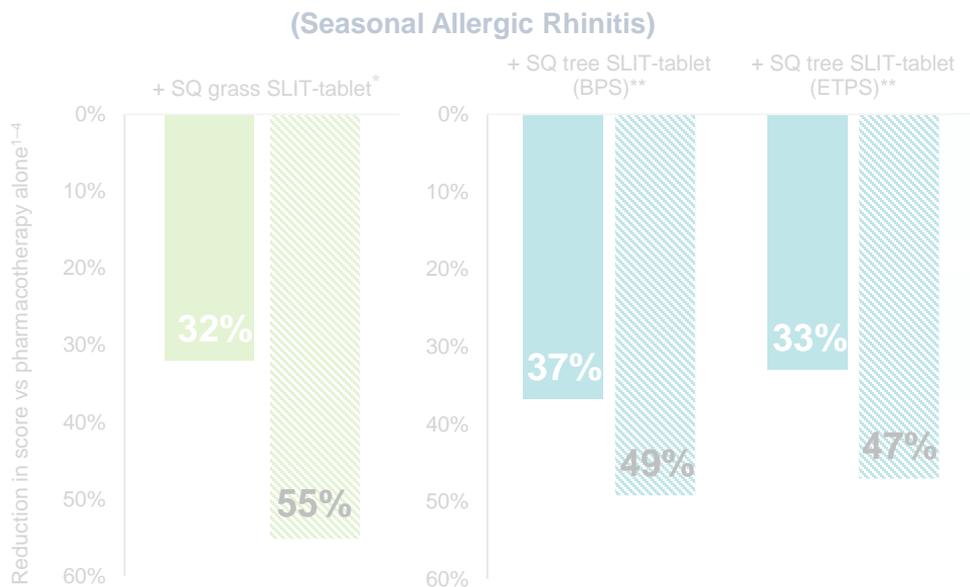


*Median scores. **Mean scores.

ETPS, extended tree pollen season; BPS, birch pollen season.

1. *J Allergy Clin Immunol* 2012;129:717-25. 2. GRAZAX® Summary of Product Characteristics 3. *J Allergy Clin Immunol* 2018;143:1058-66. 4. ACARIZAX® Summary of Product Characteristics.

Consistent improvement in allergy symptoms for **adults** and **children** with SQ SLIT-tablets



(Per

12 SQ ragweed SLIT-tablet led to a

38%

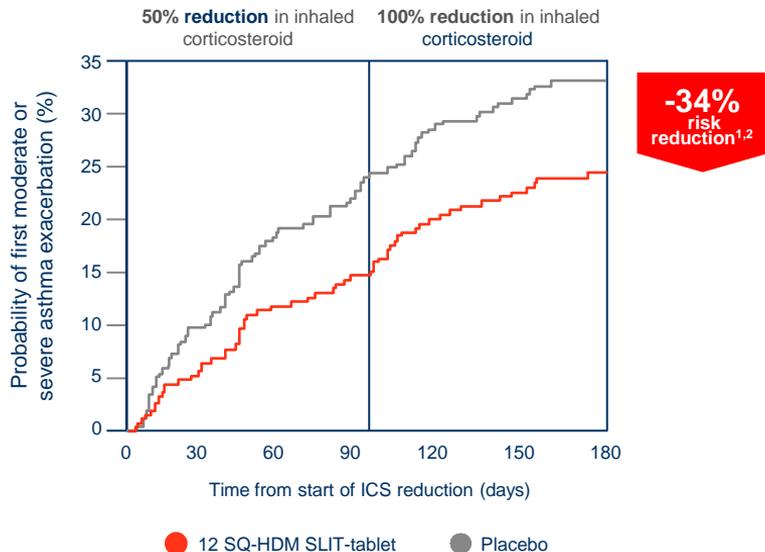
Improvement in combined symptom and medication score (TCS) vs. Placebo in **children** with ragweed AR¹

□ Symptom scores
 ▨ Medication scores

*Average TCS - combined symptom and medication score. Full analysis set: Placebo (n=487), RAGWIZAX® (n=460). PRPS: Peak ragweed pollen season. RAGWIZAX® is 12 SQ-Amb of standardised allergen extract from short ragweed (*Ambrosia artemisiifolia*).
 1. ALK-Abelló A/S. Press Release No 3/2019, Jan 15 2019. Last accessed May 2019

Commitment to explore and confirm benefits of SQ SLIT-tablet treatment in asthma

12 SQ HDM SLIT-tablet demonstrated a 34% reduction in risk of asthma exacerbations during ICS reduction (p=0.017)^{1,2}



Analyses of secondary endpoints:



36% risk reduction for nocturnal awakening or increase in daily symptoms (p=0.031)^{1,2}



42% risk reduction of deterioration in lung function (p=0.022)^{1,2}



51% risk reduction of severe asthma exacerbation (p=0.076)^{1,2}



48% risk reduction of increased SABA use (p=0.029)^{1,2}

ITULAZAX[®] patient profile

Patients with AR can spend years trying different medications and suffering with allergic symptoms that can negatively impact their daily lives¹

Indication

Adult patients

Moderate-to-severe allergic rhinitis and/or **conjunctivitis** induced by pollen from the **birch homologous group¹**

Clinical history of **symptoms** despite use of symptom-relieving medication

Diagnosed with a positive skin prick test and/or specific IgE test to a member of the birch homologous group¹

¹Birch homologous group: *Betula verrucosa* (birch), *Alnus glutinosa* (alder), *Carpinus betulus* (hornbeam), *Corylus avellana* (hazel), *Quercus alba* (oak), *Fagus sylvatica* (beech). IgE, immunoglobulin, class E; SLIT, sublingual immunotherapy.



2018-20: three years of overperformance

Succeed in North America

Infrastructure & initial prescriber base established, ODACTRA® launched

Commercial strategy challenged by financial disincentives for allergists

Growth in value of bulk business pre-COVID

Complete and commercialise tablet portfolio

Tablets launched for all five major respiratory allergies

37% average sales growth (3-year CAGR)

Clinical programme on track pre-COVID

Patient engagement and adjacencies

Clarify digital engagement with hundreds of thousands of users

US adrenaline strategy in place

Consumer division and drug discovery partnerships

Optimise and reallocate

Quality and robustness upgrades – site specialisation rolled-out

>300 products phased out, 3,500 regulatory updates of portfolio

Cultural transformation, efficiencies and savings

Accumulated 3-year results

Revenue

> **DKK 700m**

better than expected

EBITDA

~**DKK 800m**

better than expected

Free cash flow

> **DKK 700m**

better than expected

Succeed in North America



Key priorities

Grow tablet sales

Leverage digital platforms
to mobilise patients

Establish broader, scalable
sales channels for tablets

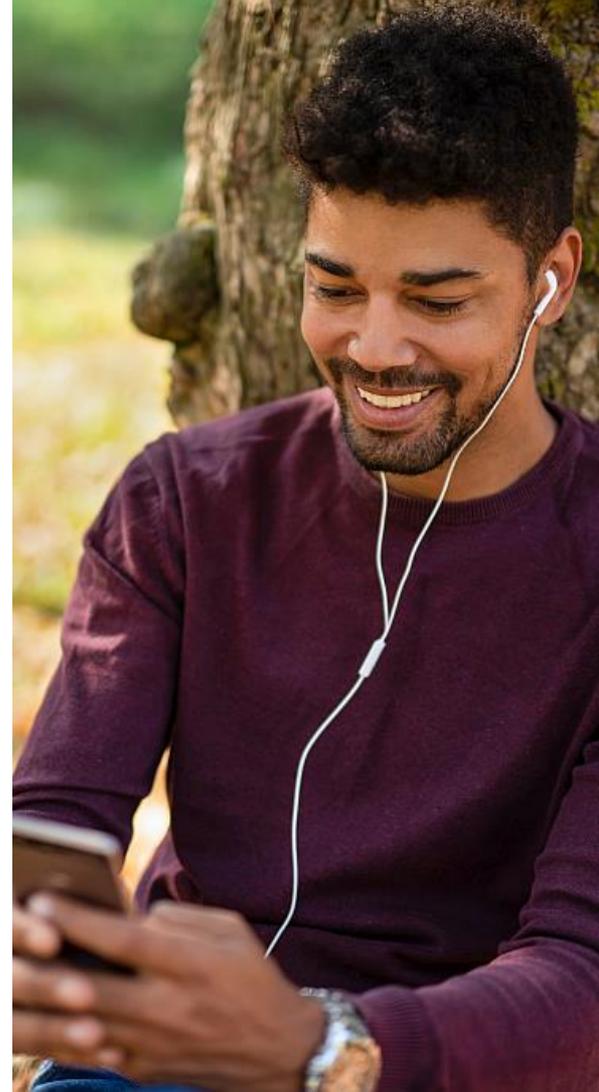


2021 objectives

Increase total sales
by 10% or more

Mobilise 20,000 US consumers
via digital engagement

Secure paediatric indication for
RAGWITEK® in the USA
and adolescents for
ACARIZAX® in Canada



Complete and commercialise tablet portfolio



Key priorities

Continue to
expand tablet franchise

Complete clinical development
for paediatrics, China and leverage
data for new markets

Prepare launches in
younger patient groups
and new markets



2021 objectives

Global tablet sales up >20%
maximising halo from ITULAZAX®

Progress clinical development for
paediatric use and new markets

Trial	Exp. completion	Comments
HDM SLIT-tablet Registration trial China	2022 (2021)	Expected to restart in mid- 2021
HDM SLIT-tablet Paediatric AR Europe/North America	2023 (2022)	Patient recruitment extended with additional cohort
HDM SLIT-tablet Paediatric AA Europe/North America	2022	Ongoing
Tree SLIT-tablet Paediatric AR Europe/Canada	2023	To be initiated in 2021

Consumer engagement and new horizons



Key priorities

From OTC consumers to AIT patients – develop and leverage digital ecosystem

Expand anaphylaxis franchise and prepare next generation global adrenaline solution

Develop innovative **new treatments for high impact allergic conditions**



2021 objectives

Mobilise 250,000 consumers globally to take action on their allergies

Food allergy: **prepare peanut project** for clinical development

Progress US development for anaphylaxis



Optimise for excellence



Key priorities

Maintain quality excellence
and IT robustness

Complete
portfolio rationalisation
and **site specialisation**

Maintain and upgrade
core legacy products

Leverage sales platforms
to drive economies of scale



2021 objectives

Contribute to 1-2 p.p. gross
margin improvement through
portfolio pruning and efficiencies

Upgrade product documentation
and facilities to support
core legacy portfolio

Zero quality-related major
interruptions to supply



Forward-looking statements

This presentation contains forward-looking statements, including forecasts of future revenue, operating profit and cash flow as well as expected business-related events. Such statements are naturally 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 announcement. Without being exhaustive, such factors include e.g., 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. The emergence of the coronavirus pandemic, and the extent and duration of countermeasures against the virus, represent an additional uncertainty that may also affect forward-looking statements.

Thank you for your attention



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