

## ALK delivers 18% organic revenue growth and an operating profit margin of 23% in Q3

Revenue growth was mainly driven by a continued strong momentum in tablet sales and a recovery in Jext® sales. Europe and International markets were key contributors to growth. The operating profit improved in line with ALK's financial ambitions, and the full-year outlook remains unchanged.

### Q3 performance highlights

Comparative figures for Q3 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated.

- ▶ Total revenue increased by 18% in local currencies to DKK 1,313 million (1,110) on broad-based growth.
- ▶ Tablet sales were up 29% to DKK 634 million (491) on double-digit growth in all regions. Europe continued to be a key contributor with 27% growth, reflecting both new patient inflow during the past year and improved pricing.
- ▶ Combined SCIT and SLIT-drops sales grew by 5% to DKK 510 million (484) against a strong quarter last year where improved pricing and rebate adjustments elevated European SCIT sales.
- ▶ Sales of Other products and services increased by 26% to DKK 169 million (135). Jext® sales increased by 112% and has recovered from last year's supply shortages.
- ▶ Operating profit (EBIT) more than doubled to DKK 306 million (147), with an EBIT margin of 23% (13%). Progress was driven by sales growth, gross margin improvements, and cost optimisations. EBIT included one-off costs of DKK 11 million (0) related to previously announced optimisation initiatives.

### Financial highlights

In DKKm	Q3 2024	Growth		9M 2024	Growth	
		l.c.	r.c.		l.c.	r.c.
Revenue	1,313	18%	18%	4,038	16%	16%
EBIT	306	107%	108%	886	91%	88%
EBIT margin – %	23%			22%		

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

### Progress on strategic priorities

- ▶ The regulatory processes to secure approvals of the house dust mite and tree pollen allergy tablets for children are still ongoing. Launch preparations progress as planned with first launches estimated late 2024/early 2025.
- ▶ The clinical Phase I/II trial with the tablet for peanut allergy is on track and expected to report next set of results in late Q4.
- ▶ ALK is finalising the design of a local clinical trial aimed at obtaining approval of the house dust mite allergy tablet in China. The trial is expected to begin in 2025. ALK is also revising its Chinese plans and activities to the delayed launch timeline (as previously announced).
- ▶ All previously announced optimisation activities are on track to free up resources for growth investments and support the 2025 earnings ambitions of a 25% EBIT margin.
- ▶ ALK has licensed rights to neffy®, the first approved adrenaline nasal spray for emergency treatment of allergic reactions (anaphylaxis) in return for USD 145 million in upfront and additional future milestones and sales royalties.

### 2024 full-year outlook remains unchanged

- ▶ Revenue is still expected to grow by 14-16% organically in local currencies on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is still expected to improve to 19-21% vs. 14% last year, mainly driven by sales growth.

**Commenting on the results, CEO Peter Halling said:** *“The results in Q3 confirm that we are on track to improve revenue and earnings for the sixth consecutive year, and we are particularly encouraged by the robust tablet growth and the positive impact of our optimisation initiatives. The implementation of our Allergy+ strategy is progressing well, as evidenced by the newly announced license agreement with ARS Pharma, granting ALK rights to the adrenaline nasal spray neffy®. We are thereby taking steps to build new revenue streams to supplement our core offering in respiratory allergy.”*

**Hørsholm, 14 November 2024**

**ALK-Abelló A/S**

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*ALK is hosting a conference call for analysts and investors at **1.30 p.m. (CET)** on 14 November 2024 at which the executive leadership team 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](#) 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. (CET)**.*

## FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE ALK GROUP

Amounts in DKKm	Q3 2024	Q3 2023	9M 2024	9M 2023	Full year 2023
<b>Income statement</b>					
Revenue	1,313	1,110	4,038	3,479	4,824
Revenue growth (local currencies)	18%	8%	16%	9%	9%
Revenue growth (reported)	18%	5%	16%	7%	7%
Operating profit (EBIT)	306	147	886	472	666
EBIT growth (local currencies)	107%	128%	91%	55%	50%
EBIT growth (reported)	108%	116%	88%	42%	42%
Operating profit before depreciation (EBITDA)	369	208	1,082	653	911
Net financial items	(25)	8	(27)	(11)	(19)
Profit before tax (EBT)	281	155	859	461	647
Net profit	212	117	645	346	486
Average number of employees (FTE)	2,778	2,787	2,795	2,740	2,752
<b>Balance sheet</b>					
Total assets	7,149	6,568	7,149	6,568	6,726
Invested capital	4,056	3,771	4,056	3,771	3,765
Equity	5,086	4,341	5,086	4,341	4,447
<b>Cash flow and investments</b>					
Cash flow from operating activities	218	178	760	341	667
Cash flow from investing activities	(65)	(79)	(335)	(290)	(375)
- of which investment in intangible assets	(11)	(15)	(34)	(52)	(69)
- of which investment in tangible assets	(54)	(63)	(187)	(239)	(310)
- of which acquisitions of companies and operations	-	-	(115)	-	-
Free cash flow	153	99	425	51	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	172	79	172	79	101
Net asset value per share	23	19	23	19	20
<b>Key figures</b>					
Gross margin – %	64	62	64	63	63
EBIT margin – %	23	13	22	14	14
Equity ratio – %	71	66	71	66	66
Earnings per share (EPS)	1.0	0.5	2.9	1.6	2.2
Earnings per share (DEPS), diluted	1.0	0.5	2.9	1.6	2.2
Share price/Net asset value	7.5	4.1	7.5	4.1	5.1

## INCOME STATEMENT

Q3 2024	% of revenue	Q3 2023	% of revenue	Amounts in DKKm	9M 2024	% of revenue	9M 2023	% of revenue
1,313	100	1,110	100	Revenue	4,038	100	3,479	100
471	36	425	38	Cost of sales	1,440	36	1,288	37
<b>842</b>	<b>64</b>	<b>685</b>	<b>62</b>	<b>Gross profit</b>	<b>2,598</b>	<b>64</b>	<b>2,191</b>	<b>63</b>
109	8	149	14	Research and development expenses	364	9	467	13
427	33	390	35	Sales, marketing and administrative expenses	1,351	33	1,253	36
-	-	1	0	Other operating items, net	3	-	1	0
<b>306</b>	<b>23</b>	<b>147</b>	<b>13</b>	<b>Operating profit (EBIT)</b>	<b>886</b>	<b>22</b>	<b>472</b>	<b>14</b>
(25)	(2)	8	1	Net financial items	(27)	(1)	(11)	(1)
<b>281</b>	<b>21</b>	<b>155</b>	<b>14</b>	<b>Profit before tax (EBT)</b>	<b>859</b>	<b>21</b>	<b>461</b>	<b>13</b>
69	5	38	3	Tax on profit	214	5	115	3
<b>212</b>	<b>16</b>	<b>117</b>	<b>11</b>	<b>Net profit</b>	<b>645</b>	<b>16</b>	<b>346</b>	<b>10</b>
<b>369</b>	<b>28</b>	<b>208</b>	<b>19</b>	<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>1,082</b>	<b>27</b>	<b>653</b>	<b>19</b>

## STRATEGIC PRIORITIES

### Implementation of Allergy+ strategy

In Q3, ALK took additional steps to progress its new Allergy+ strategy. Allergy+ aims to further strengthen ALK's global leadership in respiratory AIT, establish leading positions in food allergy and anaphylaxis, and pursue innovations to address new, adjacent disease areas. The strategy targets average revenue growth of minimum 10% in local currencies (5-year CAGR) until 2028, while ALK continues to aim for an EBIT margin of ~25% in 2025. After 2025, earnings improvements beyond the ~25% margin will be re-invested in initiatives to bolster ALK's long-term growth and profitability trajectory.

ALK works to secure regulatory approvals to expand key product indications for the house dust mite (HDM) and tree tablets to include **young children**, and regulatory reviews are ongoing in Europe, the USA, and Canada. Subject to approval, the house dust mite (HDM) tablet could become available for children, aged five to 11, in Europe and North America from late 2024 or early 2025, while the tree tablet could become available for children and adolescents from mid-2025 in Canada and Europe.

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

In **Japan**, ALK's partner Torii continues to work on initiatives to expand manufacturing capacity for the cedar pollen tablet to overcome intermittent capacity limitations. The upscaled capacity is still expected to become operational from late 2025.

Based on dialogue with the authorities in **China**, ALK is finalising the design of a local clinical trial aimed at obtaining approval of the HDM tablet. Subject to

finalisation and approval by the authorities, the trial is expected to start in 2025 and enrol 300 local subjects. In parallel, ALK is revising its Chinese plans and activities to the delayed launch timeline, which was originally scheduled for launch in 2025.

ALK's previously announced **optimisation and prioritisation** initiatives are on track. The overall aim is to free up savings in 2025, which partly will support the earnings ambitions for 2025, and partly be reinvested in growth levers – markets, projects and innovations – with the largest potential to generate strong returns and the greatest impact for patients and prescribers. Focus in 2024 is particularly on reallocating resources to European high-impact markets with sustainable demand for AIT and strong endorsement of evidence-based AIT from regulators, payers, and prescribers.

Patient recruitment for the second of three parts of the ongoing phase I/II clinical trial with the tablet for **peanut allergy** has been completed and the trial is on track to report next set of interim results in late Q4. The second part of the trial is investigating safety and tolerability of different doses across the up-dosing regimen. Subject to a positive outcome, ALK has previously made a provisional decision to extend the trial with a third part to explore the tablet's efficacy, as well. Trial investigators have been allowed to initiate screening of patients for the third part, however dosing for this part awaits conclusions from the ongoing second part, where patients still are receiving treatment.

In the area of **anaphylaxis**, ALK recently entered into a strategic licensing agreement with ARS Pharma. The agreement grants ALK exclusive global rights to the *neffy*<sup>®</sup> adrenaline nasal spray, with the exception of the USA, Australia, New Zealand, Japan, and China. *neffy*<sup>®</sup> has the potential to transform anaphylaxis management, and the deal supports

ALK's long-term financial ambitions. Under the agreement, ARS Pharma is entitled to receive an upfront payment of USD 145 million (DKK 1 billion) from ALK. Furthermore, ARS Pharma may receive up to USD 320 million (DKK 2.2 billion) related to regulatory and commercial milestones as well as tiered royalties in the teens on future sales. ARS Pharma will supply finished goods to ALK, while ALK will be responsible for local market access, marketing and sales. ALK's internal development of a new, next-generation autoinjector (Genesis) is progressing as planned.

To support ALK's growth, efforts are underway to expand tablet manufacturing capacity to approximately 800 million units by 2030, alongside establishing the supply chain for Genesis.

### Q3 SALES AND MARKET TRENDS

*(Comparative figures for Q3 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)*

#### Revenue by geography

DKKm	Q3 2024	Growth*	Share of revenue	Q3 2023
Europe	884	21%	67%	730
North America	219	3%	17%	218
Int'l markets	210	27%	16%	162
<b>Revenue</b>	<b>1,313</b>	<b>18%</b>	<b>100%</b>	<b>1,110</b>

\* In local currencies

Revenue in Europe grew by 21% in local currencies to DKK 884 million (730) on growth in all product lines.

Double-digit sales growth was seen in most Northern and Central European markets – 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 increased by 27%. The growth was primarily due to higher volumes driven by the strong inflow of new patients starting treatment during the previous initiation season, particularly in Central, Western and Northern Europe combined with certain price and rebate adjustments. Underlying volume growth was roughly in line with H1 of this year, while the impact of price adjustments was slightly lower than in H1. The reversal of last year's mandatory rebate increase in Germany influenced tablet growth positively by more than 2 percentage points.

Tablet sales in main market Germany continued to benefit from the accelerated market transition towards evidence-based, registered products, leading to double digit sales growth. Across markets, ALK continued to observe that tablet sales were less influenced by pan-European trading patterns at wholesaler levels than last year, although these movements are still impacting the development.

Combined sales of injection- and drop-based allergy immunotherapy products (SCIT/SLIT-drops) increased by 5% against a strong quarter last year when improved pricing and rebate adjustments positively impacted revenue. SCIT sales progressed in most Central and Northern European markets. Furthermore, in Germany, sales growth weakened temporarily due to changes in the product and price mix. Sales of SLIT-drops, mainly marketed in France, continued to perform well with growth linked to higher patient inflow to both existing and new allergy doctors.

Sales of Other products and services (the adrenaline pen Jext<sup>®</sup>, diagnostics, etc.) increased by 91%, driven by the recovery in Jext<sup>®</sup> sales. Jext<sup>®</sup> sales grew by 124% against a weak Q3 2023, where issues at a contract manufacturer limited market supply.

#### North America

Revenue in North America increased by 3% in local currencies to DKK 219 million (218).

Tablet sales increased by 13% on higher volumes in the USA and Canada. As previously announced, the impact from higher realised selling prices in the USA started to decline in the quarter.

Sales of bulk allergen extracts (SCIT) to US allergists grew by 4% and is recovering slower than expected.

Sales of Other products (diagnostics, PRE-PEN<sup>®</sup> and life science products) decreased 4%, mainly due to lower PRE-PEN<sup>®</sup> sales. The integration of the PRE-PEN<sup>®</sup> penicillin diagnostic operation has now been completed, however, sales continued to perform below expectations.

#### International markets

Revenue in International markets increased by 27% in local currencies to DKK 210 million (162). Growth was mainly attributable to the timing of product shipments to China and Japan, the region's two largest markets.

Tablet revenue in the region was up 39%. Sales progressed in Southeast Asia and other, minor markets, while revenue from the main tablet market Japan (product shipments and sales royalties) grew by solid double digits, mirroring continued growth in Torii's in-market tablet sales.

Revenue from China, from SCIT product shipments, grew by single digits against a strong Q3 2023 which saw an elevated level of shipments to China. Chinese in-market sales of SCIT products continued to show double-digit growth supported by an expanded prescriber base at hospitals.

## Global revenue by product line

DKKm	Q3 2024	Growth*	Share of revenue	Q3 2023
SLIT-tablets	634	29%	48%	491
SCIT/ SLIT-drops	510	5%	39%	484
Other products	169	26%	13%	135
<b>Revenue</b>	<b>1,313</b>	<b>18%</b>	<b>100%</b>	<b>1,110</b>

\* In local currencies

## NINE-MONTH FINANCIAL REVIEW

(Comparative figures for 9M 2023 are shown in brackets. Revenue growth rates are stated in local currencies, unless otherwise indicated)

**Revenue** in the first three quarters increased by 16% in local currencies to DKK 4,038 million (3,479), 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 1,440 million (1,288). The **gross profit** of DKK 2,598 million (2,191) yielded an improved gross margin of 64% (63%), mainly reflecting changes to the sales mix, improved pricing, and production efficiencies. These positive factors were, as expected, somewhat offset by inflationary pressure on the cost base and minor one-off costs related to optimisation activities in product supply.

**Capacity costs** were unchanged in local currencies at DKK 1,715 million (1,720). R&D expenses decreased 22% in local currencies to DKK 364 million after last year's completion of late-stage clinical trials. Sales and marketing expenses were up 8% in local currencies to DKK 1,090 million. Administration costs were DKK 261 million, an increase of 9% in local currencies, mainly linked to costs for 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. These one-off costs totalled DKK 49 million (0).

**The operating profit (EBIT)** amounted to DKK 886 million (472), an improvement of 91% in local currencies and 88% in reported currency. Despite the above-mentioned one-off costs, the EBIT margin progressed to 22% (14%) due to higher sales, gross margin improvements and a lower capacity cost-to-revenue ratio – the ratio was down to 42% (49%).

**Net financials** were a loss of DKK 27 million (a loss of 11) related to interest expenses and currency losses.

**Tax on the profit** totalled DKK 214 million (115), and the **net profit** increased to DKK 645 million (346).

**Cash flow from operating activities** was DKK 760 million (341), as higher earnings clearly offset changes

in the working capital, which mainly related to planned inventory build-up in support of future revenue growth.

**Cash flow from investment activities** was DKK minus 335 million (minus 290), reflecting investments in continued capacity build-up for tablet production, upgrades of legacy production, and the development of 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 425 million (51).

**Cash flow from financing** was DKK minus 344 million (minus 65), mainly related to repayment of loans.

At the end of September, ALK held 1,436,906 of its **own shares**, or 0.6% of the share capital, down from 0.7% at the end of Q2 2024.

**Equity** totalled DKK 5.086 million (4,341) at the end of the period, and the equity ratio was 71% (66%).

## FULL-YEAR OUTLOOK FOR 2024

The outlook is unchanged:

- ▶ Revenue is still expected to grow by 14-16% organically in local currencies on broad-based growth across sales regions and product groups. European tablet sales remain key to growth.
- ▶ The EBIT margin is still expected to improve to 19-21% vs. 14% last year, mainly driven by high sales growth.

The outlook is based on the following assumptions:

### Revenue

Europe is expected to deliver robust, double-digit revenue growth, while 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, mainly driven by the past years' inflow of new patients and improved pricing. Tablet sales in North America and International markets are also expected to grow, albeit at lower rates than in 2023.

Combined sales of SCIT/SLIT-drops are now projected to grow by mid to high single-digits (previously: high-single digit), driven by increasing SCIT and SLIT-drops sales in Europe while ALK now expects low growth for North American SCIT-sales.

Sales of other products are still expected to grow by mid to high single digits, led by the normalisation of market supply of the adrenaline autoinjector Jext®. Sales of other products in North America are assumed to decline following continued market volatility.

Revenue growth in Q4 is anticipated to be lower than in Q2 and Q3 of this year: Q4 will be impacted by

fluctuations in the timing of product shipments to International markets with no SCIT shipments planned for China during the renewal of ALK's import license and lower tablet shipments planned for Japan. Moreover, sales growth in North America is expected to continue at a low level because of weak developments in legacy products and a lower impact from recent improvements to the average selling prices for tablets in the USA.

While still early in the 2024/25 initiation season, the forecast assumes an average new patient inflow in Q4 which is indicated to be lower than the exceptional 2023 initiation season, but still better than in 2022.

### Margins

The gross margin is now expected to increase by more than 1 percentage point (previously: around 1 pp). The margin will benefit from changes to the sales mix, improved pricing, and efficiencies. Inflationary pressures in product supply will partly offset these positive factors.

### 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 projected to decline to around 10% of the expected revenue, while increases are assumed for both sales and marketing expenses and administrative costs.

The outlook for capacity costs still includes approximately DKK 60 million in one-off costs associated with the previously announced optimisation initiatives. ALK may entail additional costs associated with revisions of its Chinese plans and activities. Any such costs will be kept within ALK's current earnings outlook.

### 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 selected 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.
- ▶ CAPEX investments are now projected at around DKK 350 million (previously: 400), and ALK plans to continuously build up inventories in support of revenue growth. As a consequence of the upfront payment related to the license agreement with ARS Pharma, free cash flow is now expected to be negative at around DKK 500 million.
- ▶ 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 new M&A or in-licensing.
- ▶ The outlook is based on current exchange rates, 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 beyond ALK's control - 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	22 January 2025
Annual Report (2024)	19 February 2025









## 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 September 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 September 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, 14 November 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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Lene Skole  
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Katja Barnkob

Nanna Rassov Carlson

Lars Holmqvist

Jesper Høiland

Bertil Lindmark

Alan Main

Lise Lund Mærkedahl

Johan Smedsrud

## INCOME STATEMENT FOR THE ALK GROUP

Q3 2024	Q3 2023	Amounts in DKKm	9M 2024	9M 2023
1,313	1,110	Revenue	4,038	3,479
471	425	Cost of sales	1,440	1,288
<b>842</b>	<b>685</b>	<b>Gross profit</b>	<b>2,598</b>	<b>2,191</b>
109	149	Research and development expenses	364	467
349	321	Sales and marketing expenses	1,090	1,015
78	69	Administrative expenses	261	238
-	1	Other operating items, net	3	1
<b>306</b>	<b>147</b>	<b>Operating profit (EBIT)</b>	<b>886</b>	<b>472</b>
(25)	8	Net financial items	(27)	(11)
<b>281</b>	<b>155</b>	<b>Profit before tax (EBT)</b>	<b>859</b>	<b>461</b>
69	38	Tax on profit	214	115
<b>212</b>	<b>117</b>	<b>Net profit</b>	<b>645</b>	<b>346</b>
<b>Earnings per share (EPS)</b>				
1.0	0.5	Earnings per share (EPS)	2.9	1.6
1.0	0.5	Earnings per share (DEPS), diluted	2.9	1.6

## STATEMENT OF COMPREHENSIVE INCOME

Q3 2024	Q3 2023	Amounts in DKKm	9M 2024	9M 2023
<b>212</b>	<b>117</b>	<b>Net profit</b>	<b>645</b>	<b>346</b>
<b>Other comprehensive income</b>				
<i>Items that will subsequently be reclassified to the income statement, when specific conditions are met:</i>				
(61)	33	Foreign currency translation adjustment of foreign affiliates	(19)	14
<b>151</b>	<b>150</b>	<b>Total comprehensive income</b>	<b>626</b>	<b>360</b>

## CASH FLOW STATEMENT FOR THE ALK GROUP

Amounts in DKKm	9M 2024	9M 2023
<b>Net profit</b>	<b>645</b>	346
Adjustments for non-cash items (note 3)	497	329
Changes in working capital	(310)	(251)
Financial income, received	12	5
Financial expenses, paid	(14)	(17)
Income taxes, paid (net)	(70)	(71)
<b>Cash flow from operating activities</b>	<b>760</b>	341
Acquisitions of companies and operations (note 4)	(115)	-
Investments in intangible assets	(34)	(52)
Investments in tangible assets	(187)	(239)
Investments in other financial assets	1	1
<b>Cash flow from investing activities</b>	<b>(335)</b>	(290)
<b>Free cash flow</b>	<b>425</b>	51
Sale of treasury shares	5	-
Exercised share options, paid	(38)	(20)
Repayment of lease liabilities	(36)	(26)
Proceeds from borrowings	-	75
Repayment of borrowings	(275)	(94)
<b>Cash flow from financing activities</b>	<b>(344)</b>	(65)
<b>Net cash flow</b>	<b>81</b>	(14)
<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	1	-
<b>Net cash flow</b>	<b>81</b>	(14)
<b>Cash end of period</b>	<b>556</b>	207

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 2024	30 Sep 2023	31 Dec 2023
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	458	461	459
Other intangible assets	324	206	212
	<b>782</b>	<b>667</b>	<b>671</b>
<b>Tangible assets</b>			
Land and buildings	1,007	1,021	994
Plant and machinery	505	476	511
Other fixtures and equipment	76	73	80
Property, plant and equipment in progress	670	607	596
	<b>2,258</b>	<b>2,177</b>	<b>2,181</b>
<b>Other non-current assets</b>			
Prepayments	29	65	49
Deferred tax assets	658	729	659
Income tax receivables	209	188	198
	<b>896</b>	<b>982</b>	<b>906</b>
<b>Total non-current assets</b>	<b>3,936</b>	<b>3,826</b>	<b>3,758</b>
<b>Current assets</b>			
Inventories	1,608	1,413	1,423
Trade receivables	861	824	816
Receivables from group companies	-	14	-
Income tax receivables	15	52	34
Other receivables	38	58	74
Prepayments	135	174	147
Cash	556	207	474
<b>Total current assets</b>	<b>3,213</b>	<b>2,742</b>	<b>2,968</b>
<b>Total assets</b>	<b>7,149</b>	<b>6,568</b>	<b>6,726</b>

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

Amounts in DKKm	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Equity</b>			
Share capital	111	111	111
Currency translation adjustment	(37)	34	(18)
Retained earnings	5,012	4,196	4,354
<b>Total equity</b>	<b>5,086</b>	<b>4,341</b>	<b>4,447</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Mortgage debt	170	189	184
Pensions and similar liabilities	251	243	245
Lease liabilities	274	259	255
Provisions	1	-	1
Deferred tax liabilities	2	3	4
Deferred income	45	48	46
Income tax payables	231	203	230
	<b>974</b>	<b>945</b>	<b>965</b>
<b>Current liabilities</b>			
Mortgage debt	19	18	19
Bank loans	-	206	261
Trade payables	118	116	128
Lease liabilities	47	46	46
Deferred income	4	4	4
Provisions	20	3	2
Income tax payables	146	85	17
Other payables	735	804	837
	<b>1,089</b>	<b>1,282</b>	<b>1,314</b>
<b>Total liabilities</b>	<b>2,063</b>	<b>2,227</b>	<b>2,279</b>
<b>Total equity and liabilities</b>	<b>7,149</b>	<b>6,568</b>	<b>6,726</b>

## 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	-	-	645	645
Other comprehensive income	-	(19)	-	(19)
<b>Total comprehensive income</b>	<b>-</b>	<b>(19)</b>	<b>645</b>	<b>626</b>
Share-based payments	-	-	37	37
Share options settled	-	-	(38)	(38)
Sale of treasury shares	-	-	5	5
Tax related to items recognised directly in equity	-	-	9	9
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>
<b>Equity at 30 September 2024</b>	<b>111</b>	<b>(37)</b>	<b>5,012</b>	<b>5,086</b>
<b>Equity at 1 January 2023</b>	<b>111</b>	<b>20</b>	<b>3,857</b>	<b>3,988</b>
Net profit	-	-	346	346
Other comprehensive income	-	14	-	14
<b>Total comprehensive income</b>	<b>-</b>	<b>14</b>	<b>346</b>	<b>360</b>
Share-based payments	-	-	15	15
Share options settled	-	-	(20)	(20)
Tax related to items recognised directly in equity	-	-	(2)	(2)
<b>Other transactions</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>(7)</b>
<b>Equity at 30 September 2023</b>	<b>111</b>	<b>34</b>	<b>4,196</b>	<b>4,341</b>

## NOTES

### 1 ACCOUNTING POLICIES

This non-audited interim report for the first nine 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 nine 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	
	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023
SLIT-tablets	1,468	1,127	161	135	427	357	2,056	1,619
SCIT/SLIT-drops	1,098	1,001	264	262	138	154	1,500	1,417
Other products and services	210	160	246	262	26	21	482	443
<b>Total revenue</b>	<b>2,776</b>	<b>2,288</b>	<b>671</b>	<b>659</b>	<b>591</b>	<b>532</b>	<b>4,038</b>	<b>3,479</b>
Sale of goods							3,963	3,409
Royalties							73	69
Services							2	1
<b>Total revenue</b>							<b>4,038</b>	<b>3,479</b>

Growth, M9 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	30%	30%	21%	19%	21%	20%	27%	27%
SCIT/SLIT-drops	9%	10%	1%	1%	-8%	-10%	6%	6%
Other products and services	31%	31%	-6%	-6%	24%	24%	9%	9%
<b>Total revenue</b>	<b>21%</b>	<b>21%</b>	<b>3%</b>	<b>2%</b>	<b>13%</b>	<b>11%</b>	<b>16%</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 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
SLIT-tablets	450	352	46	43	138	96	634	491
SCIT/SLIT-drops	354	335	89	87	67	62	510	484
Other products and services	80	43	84	88	5	4	169	135
<b>Total revenue</b>	<b>884</b>	<b>730</b>	<b>219</b>	<b>218</b>	<b>210</b>	<b>162</b>	<b>1,313</b>	<b>1,110</b>
Sale of goods							1,287	1,087
Royalties							25	23
Services							1	-
<b>Total revenue</b>							<b>1,313</b>	<b>1,110</b>

Growth, Q3 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	27%	28%	13%	7%	39%	44%	29%	29%
SCIT/SLIT-drops	5%	6%	4%	2%	7%	8%	5%	5%
Other products and services	91%	86%	-4%	-5%	20%	25%	26%	25%
<b>Total revenue</b>	<b>21%</b>	<b>21%</b>	<b>3%</b>	<b>0%</b>	<b>27%</b>	<b>30%</b>	<b>18%</b>	<b>18%</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 2024	9M 2023
Tax on profit	214	115
Financial income and expenses	27	11
Share-based payments	37	15
Depreciation, amortisation and impairment	196	181
Other adjustments	23	7
<b>Total</b>	<b>497</b>	<b>329</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>