



Six-month interim report (Q2) 2015 for ALK

August 18, 2015

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Performance for the period (unaudited)

(Comparative figures for 2014 are shown in brackets / revenue growth is measured in local currencies. Revenue from ALK's base business is defined as total revenue excluding revenues from the SLIT-tablet partnerships in North America and International markets).

In Q2, ALK continued to deliver underlying growth in its base business in line with that of Q1. Overall financial performance was impacted by lower milestone payments compared to last year:

- Q2 revenue, including partner income, amounted to DKK 565 million (615).
- Q2 revenue in the base business grew by 1% in local currencies to DKK 546 million (516). Underlying growth was 4% when adjusted for last year's one-off upfront payment from ALK's collaboration partner for China.
- Q2 partner income from SLIT-tablets was DKK 19 million (99) due to lower milestone payments.
- Q2 EBITDA before special items was DKK 20 million (109). Excluding milestone payments and sales royalties, EBITDA before special items increased to DKK 19 million (10).
- H1 total revenue was DKK 1,215 million (1,299) and base business revenue growth was 3%. H1 EBITDA before special items was DKK 158 million (320). Excluding sales royalties and milestone payments, EBITDA before special items grew to DKK 151 million (140), reflecting improved underlying profitability in the base business.

Pipeline events

- Regulatory reviews of ALK's lead product candidate, the HDM SLIT-tablet, continue to progress in Europe and Japan. Subject to approval, first launches are expected to take place in 2016.
- MSD (known as Merck in the USA and Canada) will discuss its plans for submission of a Biologic License Application (BLA) for the HDM SLIT-tablet with the FDA at a pre-BLA meeting later this year.
- A regulatory filing for the HDM SLIT-tablet has been submitted in Australia by bioCSL.
- In August, Torii obtained positive results in a pivotal Phase II/III trial of the Japanese cedar SLIT-tablet.
- All other pipeline activities continue to advance as planned.

2015 financial guidance

The full-year guidance has been adjusted to reflect the year-to-date sales growth in the base business and postponed investments:

- ALK now expects to grow revenue in the base business by 3-5% in local currencies (previously 0-5%) based on low single-digit growth in Europe and high single-digit growth in non-European markets. Full-year revenue for the base business is expected to be DKK 2.3-2.35 billion (previously DKK 2.25-2.35 billion).
- The SLIT-tablet partnerships in North America and International markets are expected to generate additional revenue in the form of sales royalties, product supply, service fees and, potentially, milestone payments.
- Operating profit (EBITDA before special items), excluding sales royalties and milestone payments from partnerships, is expected to be in the range of DKK 250-300 million (previously DKK 225-300 million). Exchange rates are not expected to materially affect EBITDA.
- Free cash flow is projected to be negative in the range of DKK 50-150 million excluding sales royalties and milestone payments from partners (previously negative in the range of DKK 100-200).
- ALK has strengthened its financial position through an increase of mortgage loans of net DKK 330 million.

Hørsholm, 18 August 2015

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Today, ALK hosts a conference call for analysts and investors at 2.00 p.m. (CEST) at which Management will review the financial results and the outlook. The conference call will be audio cast on www.alk-abello.com/investor, where the presentation will be available shortly before the call begins. Participants in the audio cast are kindly requested to call in before 1.55 p.m. (CEST). Danish participants should call in on tel. 7022 3500 and international participants should call in on tel. +44 (0) 20 7572 1187 or +1 646 722 4972. Please use the following Participant Pin Code: 25148308#.