

A world leader in allergy immunotherapy



Q3 2015 results and full-year outlook
Teleconference, 12 November 2015



Today's agenda

Q3 2015

- Highlights
- Market trends
- 9M financials

Strategic update

- Priorities and initial 2016 outlook
- ACARIZAX® roll-out
- Pipeline update

Full-year outlook

Q&A session



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Forward-looking statements

This presentation contains forward-looking statements, including forecasts of future revenue and operating profit as well as expected business-related events. Such statements are subject to risks and uncertainties as various factors, some of which are beyond ALK's control, may cause actual results and performance to differ materially from the forecasts made. 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. An additional factor is potential 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.

Q3 Highlights

Approvals of ACARIZAX[®] in EU-11 and MITICURE[™] in Japan

Planning for submission of BLA in North America; filings in Turkey and Switzerland in Q3-15



Q3 results boosted by milestone payment and other partner income



Overall revenue grew by 24% to DKK 667m (522)



EBITDA result of DKK 171m (57) before special items



Outlook: Revenue of ~DKK 2.5bn, ~DKK 400m EBITDA b.s.i.*



Growth rates in local currencies

Q3: DKK 428m revenue in Europe

+0%
→

+3% excl. local unregistered products in NL

- JEXT®, GRAZAX® and diagnostics advanced
- SCIT (injectable) sales by and large stable
- SLIT-drops sales down



Germany: Market dynamics changing

- Increasing trend towards evidence-based medicine
- Double-digit growth in GRAZAX® sales



Q3: DKK 113m revenue in North America

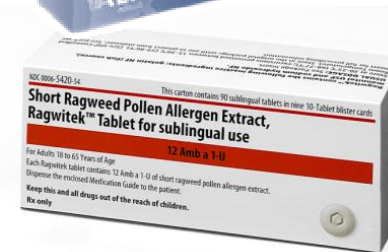
+24%

12% growth in sales of legacy products

- DKK 99m (75) sales of allergen extracts, diagnostics, vet products, etc.
- Sixth consecutive quarter with double-digit growth

Higher revenue from Merck partnership

- Supply, service fees and sales royalties of 14m (2)
- Modest uptake of GRASTEK® and RAGWITEK®
- Preparations for launch of HDM product



Q3: DKK 126m revenue in Intern. markets

+533%

- Milestone payment and R&D reimbursement from Torii
- Slow-down of growth in China
- Acquisition in Turkey has been given final approval



9M: Progress in the base business

P&L impacted by DKK 62m decline in milestone and upfront payments

| DKK million | 9M 2014 | 9M 2015 |
|-----------------------------|---------|--------------|
| Base business | 1,618 | 1,706 |
| SLIT-tablet partnerships | 203 | 176 |
| Revenue | 1,821 | 1,882 |
| Gross profit | 1,272 | 1,249 |
| Capacity costs | 997 | 1,035 |
| EBITDA before special items | 377 | 329 |
| EBITDA | 347 | 303 |
| Net financials | 34 | 48 |
| Tax on profit | (114) | (31) |
| Net profit | 165 | 205 |
| Free cash flow | 26 | (149) |

+3% excl.
2014 one-off in
China / +4%
excl. Dutch
phase-out

64% (67)
margin excl.
milestone
payments

DKK 208m
excl. royalties &
milestones
(197)

Mid-cycle strategy review

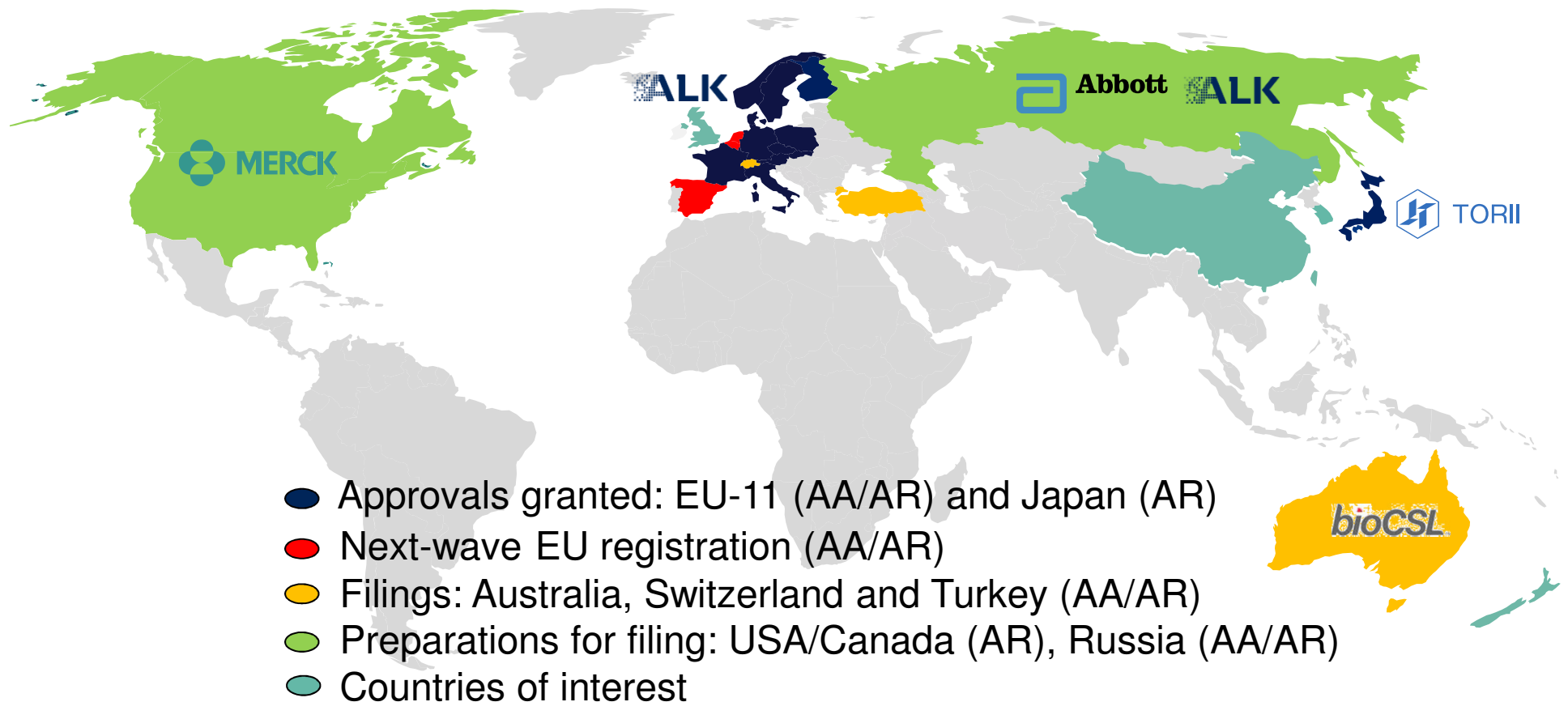
- Global company with evidence-based products treating allergic rhinitis and asthma
 - ACARIZAX® and asthma opportunity engine for global reach and growth
 - Value creation in the base business
 - Growth in partner income to accelerate from 2017
- Base business revenue growth of 0-5% in 2016 in line with strategic outlook
- Financial guidance in February

Foto: Ugebladet Hørsholm





Globalising ACARIZAX® *



AA = Allergic Asthma; AR = Allergic Rhinitis

Major pipeline events

Short-term news-flow (2015-16)

| Events | | Exp. timing |
|---------------|---|---------------|
| Europe | First launches of ACARIZAX [®] in Europe | Q1 2016 |
| | Registration of ACARIZAX [®] in additional countries | 2016⇒ |
| | Top-line results from GAP (<i>GRAZAX[®] Asthma Prevention trial</i>) | Q1 2016 |
| US/CAN | Submission of BLA for HDM SLIT-tablet (ACARIZAX [®]) | Not disclosed |
| | Clinical trial with RAGWITEK [®] in paediatric patients | Q4-2015 |
| Japan | Launch of MITICURE [™] | Q1 2016 |
| | Regulatory filing of Japanese cedar SLIT-tablet | 2015/2016 |
| | Phase III trial with MITICURE [™] in paediatric patients | Q4-2015 |
| ROW | Russia: Regulatory review of GRAZAX [®] | 2016 |
| | Russia: Filing of ACARIZAX [®] | 2016 |
| | Australia: Regulatory review of ACARIZAX [®] | 2016 |
| | Turkey: Regulatory review of ACARIZAX [®] | 2016 |

Updated full-year outlook

Including expected partner income

| DKKm | Comments | 2014 |
|--|---|--------|
| ~DKK 2.3bn base business revenue | <ul style="list-style-type: none"> • Previously DKK 2.3-2.35bn • ~3% revenue growth excl. Chinese one-off; previously 3-5% | 2.2bn |
| ~DKK 200m income from partnerships | <ul style="list-style-type: none"> • Previously: No guidance provided | 214m |
| ~2.5bn total revenue | <ul style="list-style-type: none"> • Previously: N.A. | 2.43bn |
| ~DKK 400m EBITDA before special items | <ul style="list-style-type: none"> • Previously DKK 350-400m including the milestone payment from Torii, but excl. sales royalties and other milestones | 453m |
| Minor special items | <ul style="list-style-type: none"> • Unchanged | 49m |
| DKK 150-200m CAPEX | <ul style="list-style-type: none"> • Unchanged | 202m |
| ~DKK 0m free cash flow | <ul style="list-style-type: none"> • Previously negative DKK (50-100m) excl. sales royalties and milestone payments | 101m |

Q&A session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

- Jefferies Global Healthcare Conference, London, 18 Nov 2015
- Danske Winter Seminar, Copenhagen, 3 Dec 2015
- Oddo Forum, Lyon, 7 Jan 2016
- SEB Enskilda Nordic Seminar, Copenhagen, 7 Jan 2016
- J.P. Morgan Annual Healthcare Conference, San Francisco, 11-14 Jan 2016
- Annual report 2015 and Outlook 2016, 9 Feb 2016

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