

Allergy solutions for life

IR roadshow presentation

June 2020



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.

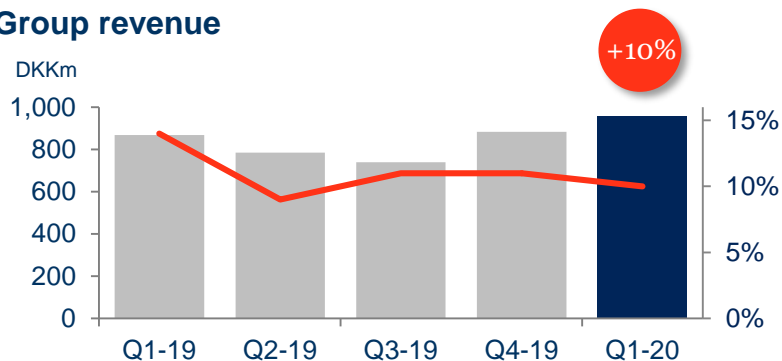
By collecting information and the latest and most trusted solutions together in one place, we want to make allergy surprisingly simple to manage. With 100 years of experience, nobody knows allergy like us, and we continuously apply our scientific knowledge and expertise to help people take control of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

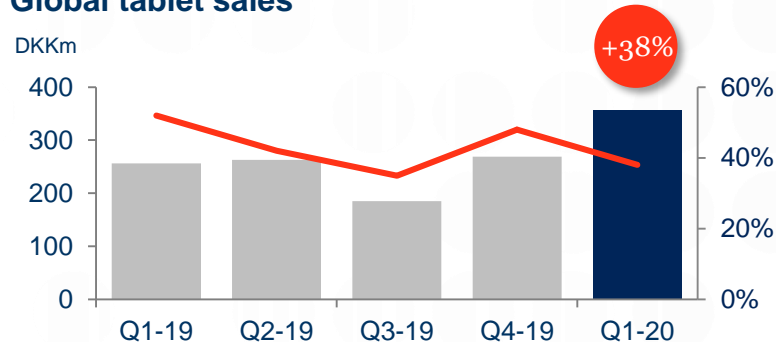
Strong Q1 outperforms expectations, guidance kept

- Revenue up 10%; tablet sales up 38% on solid performances from ACARIZAX® and ITULAZAX®
- EBITDA up 49% at DKK 198m on higher sales, operational leverage and lower capacity costs
- FY outlook maintained: 8-12% organic growth still expected in 2020
- Guidance range assumes patients can visit doctors again in H2

Group revenue



Global tablet sales



COVID-19 update

No material effect in Q1, subdued growth expected in Q2

Focus is on continued supply of medicines

- Impact expected in Q2, predominantly in SCIT markets, especially in the USA
- Lockdowns restrict visits to doctors. Lost sales may be recovered assuming patients can visit doctors again in H2
- Home-based treatments more resilient; alternative for SCIT patients unable to visit clinics
- Likely delays to clinical trials. Patient recruitment currently paused

No major interruptions to production

Contingency measures in place, inventories robust



ALK key figures

(Nasdaq Copenhagen: ALK.B / ALKB.CO)



Established in
1923



Employees
~2,400



Markets
41



Leader in AIT,
treating
~1.9m



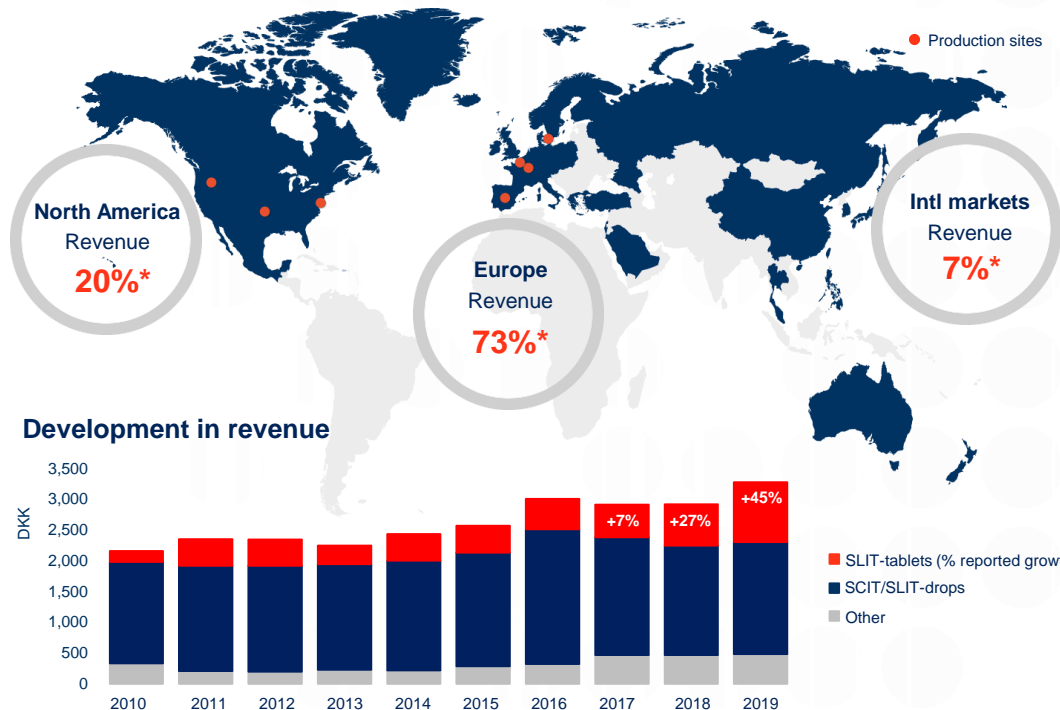
People with allergy
covered by portfolio of
new, standardised tablets
>80%



Participants in clinical
trials for the tablets
>22,000

Global presence

Transformation in progress to accelerate growth and build broader presence in allergy

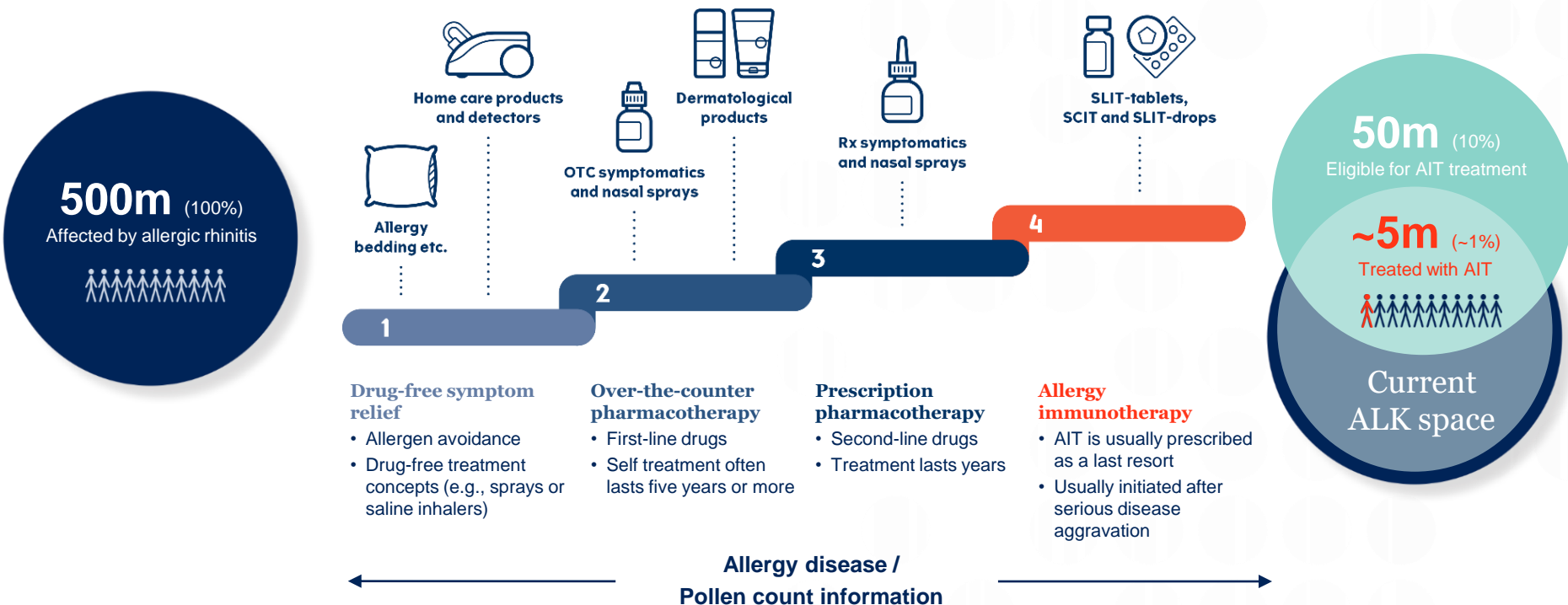


** includes certain milestone payments from partnerships in the period 2010 to 2016

* Percentage of 2019 revenue

Allergy Disease Management > 120 bn DKK market

Majority of people with allergy rarely see a doctor and patients often endure a decade or more before turning to AIT



Three-year transformation on track (I)

Succeed in
North
America

Complete and
commercialise
tablet
portfolio

Patient
engagement
and
adjacencies

Optimise and
reallocate
resources

Financial ambitions

An ALK capable of delivering sustainable, high revenue and earnings growth

Revenue growth of $\geq 10\%$ annually

Raise margins quickly to specialty pharma levels after 2020

Three-year transformation on track (II)

Succeed in North America

Full-year target challenged by COVID-19 impact

Targets



10% growth

Tablets up 22%, overall growth held back by non-allergy products and PRE-PEN®



Rx depth

Prescriber numbers and prescription depth continue to grow for tablets



ITULATEK™
in Canada

Regulatory approval secured in April. Launch plans for H2 on track



Digital
engagement

Digital patient engagement platform launched in early Q2

Complete and commercialise tablet portfolio for all relevant ages

Strong growth trajectory maintained

Targets



>30% growth

Global tablet sales up 38% with ACARIZAX® and ITULAZAX® leading the way



ITULAZAX®
in Europe

ITULAZAX® roll-out remains on track with additional launches in H2



Clinical
development

Delays in clinical development expected due to COVID-19. Patient recruitment currently paused



Other news

Research collaboration with Betamab

Three-year transformation on track (III)

Patient engagement and adjacent business

Digital strategy continues to surpass expectations

Targets



New markets

Digital engagement platform launched in Denmark



Mobilise 100k patients

~25k mobilised to take action on allergy (searching for/visiting doctor, etc.)



Support AIT commercialisation

Priority given to most suitable AIT candidates during COVID-19 crisis, ahead of high season for new treatment initiations

Optimise and reallocate

Manufacturing robustness continues to improve

Targets



Portfolio rationalisation

Accelerated programme continued with >300 variants phased out vs. 2016



Quality, robustness & scalability

ALK continues to raise Jext[®] production volumes as far as possible to meet demand



Production efficiency

Site specialisation, optimisation efforts and investments in quality continued with the aim of improving long-term efficiency

Financial status

DKK million	2016	2017	2018	2019	2020G
Revenue	3,005	2,910	2,915	3,274	3,50-3,65
Gross margin	67%	56%	56%	58%	
R&D	385	426	392	466	
(% of revenue)	13%	15%	13%	14%	
Sales/Marketing & Adm.	1,140	1,298	1,364	1,210	
EBITDA	642	253	136	241	200-300
CAPEX	204	267	178	167	
Free cash flow	201	(745)	(294)	(25)	~ (300)
Cash and marketable sec.	840	711	396	316	

2020 revenue

- Growth across all sales regions
- Strong tablet growth

2020 financial outlook maintained

Expected 2018-20 cash burn almost halved due to better sales and earnings (from ~DKK 1bn to ~0.6bn)

DKK	6 May outlook	Comments	2019 actuals
Revenue	+8-12% organic	<ul style="list-style-type: none"> • Subdued growth in Q2 • +30% FY tablet growth • -4% p.p. FY impact from portfolio pruning • COVID-19: assumes patients can visits doctors again in H2 	3,274m
EBITDA	200-300m	<ul style="list-style-type: none"> • Gross margin on par with 2019 • Lower R&D costs than planned • Leveraged sales and marketing platform, unchanged administrative expenses 	241m
Free cash flow	~(300)m	<ul style="list-style-type: none"> • Subdued earnings due to R&D and strategic investments • DKK 250-300 million CAPEX • Changes in working capital 	(25)m

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

Appendix





Pioneer since 1923 – Prevention, Diagnosis & Treatment

Leader in disease modifying allergy immunotherapy (AIT)

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

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

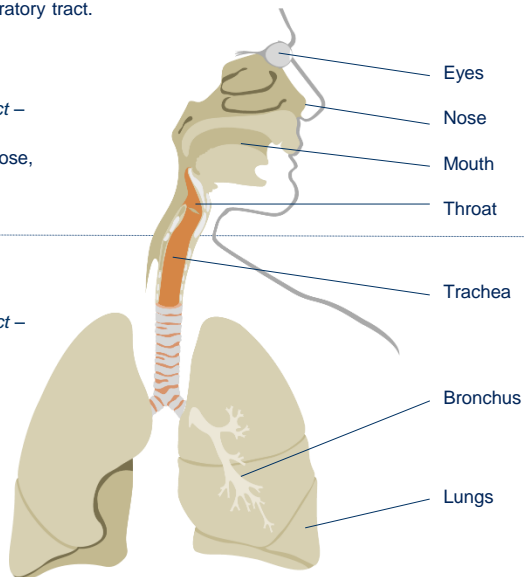
Respiratory allergies can affect both the upper and lower respiratory tract.

Upper respiratory tract – allergic rhinitis

Running or blocked nose, itchy eyes, sneezing.

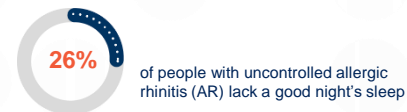
Lower respiratory tract – allergic rhinitis

Shortness of breath, narrowed airways, coughing, wheezing.



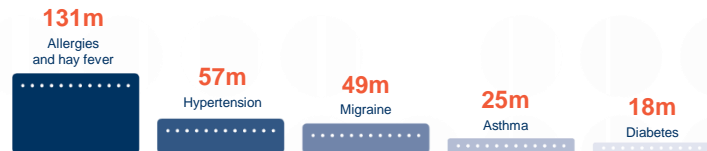
Insufficient sleep

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

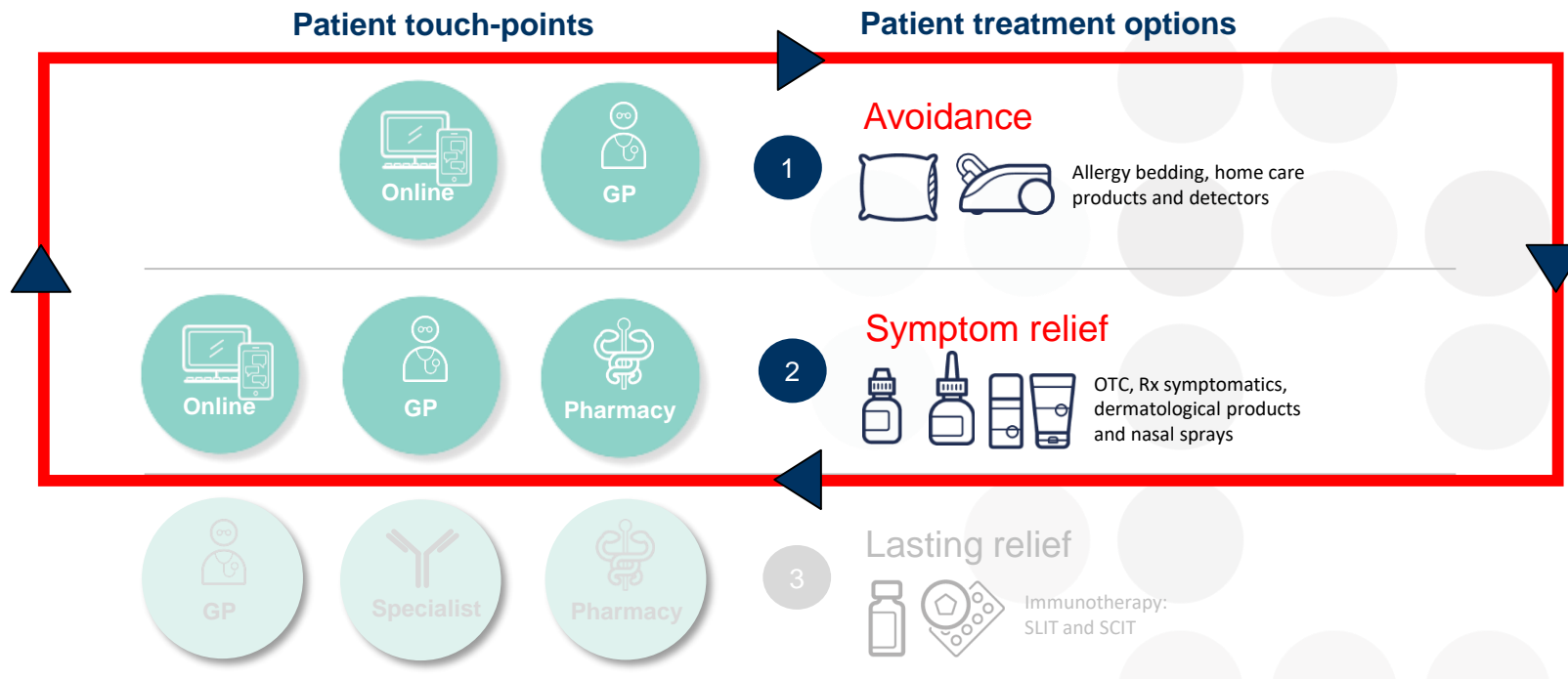
Treatment strategies in allergy

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

Only 1% on AIT

500m

affected by allergic rhinitis

50m

eligible for AIT

5m

on AIT



GP



Specialist



Pharmacy

3

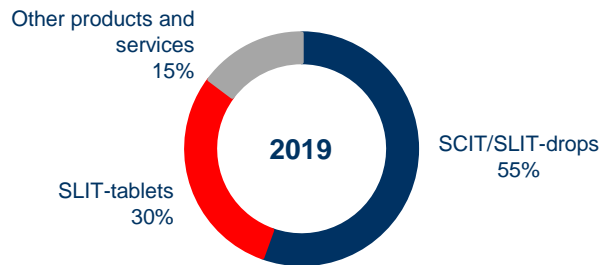
Lasting relief



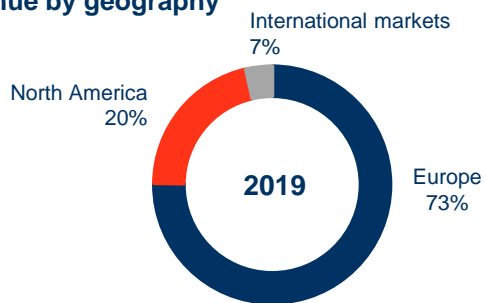
Immunotherapy:
SLIT and SCIT

ALK's current portfolio

Revenue by product line



Revenue by geography



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

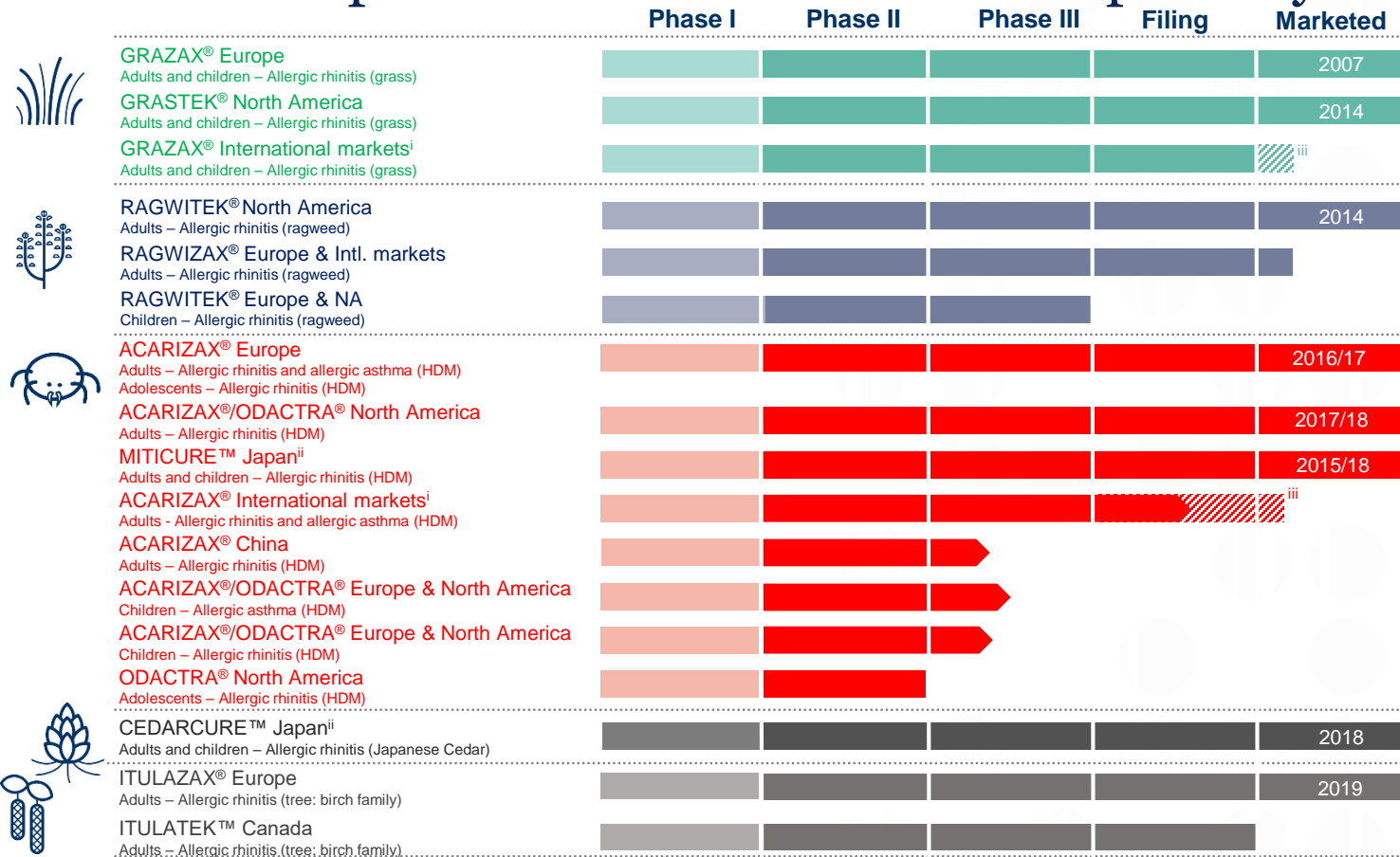
Tablets: SLIT-tablets are administered by the patient at home and are available for all the most important respiratory allergies. Tablet-based AIT is the most well-documented allergy treatment

Manufacturing footprint

Centres of excellence



SLIT-tablet portfolio covers >80% of respiratory allergies



~22,000

patients included in
clinical development, incl.
21 Phase III trials

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

ii. Licensed to Torii for Japan

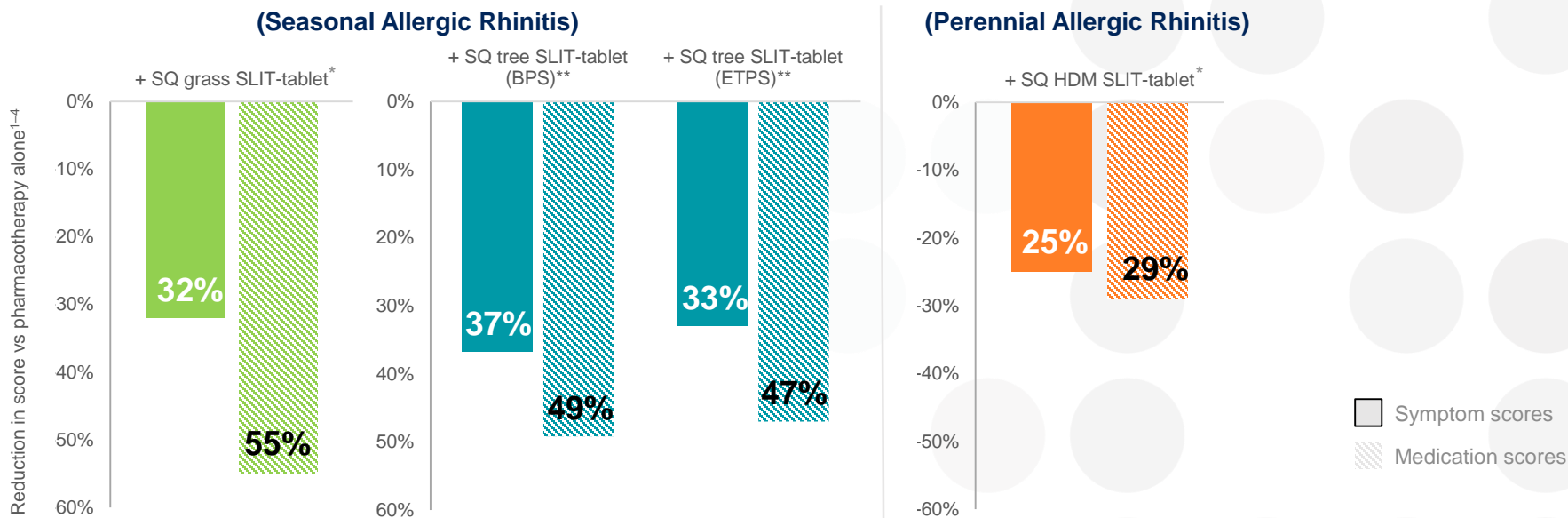
iii. Already marketed in selected markets

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

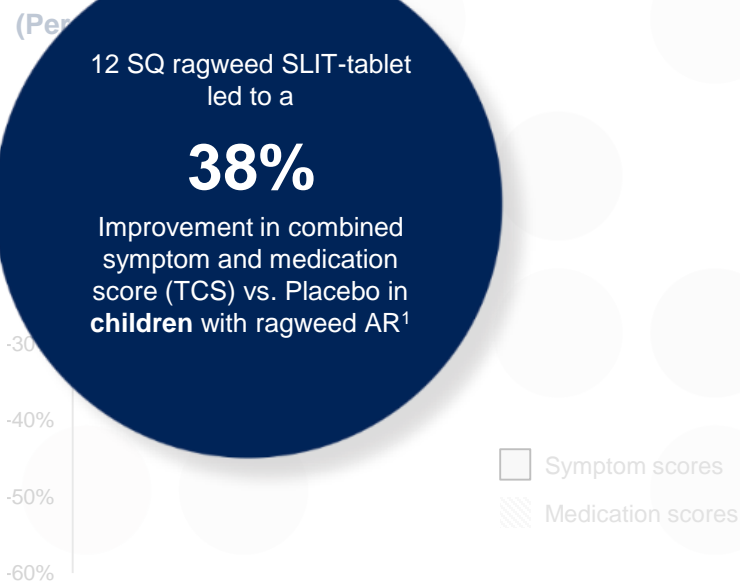
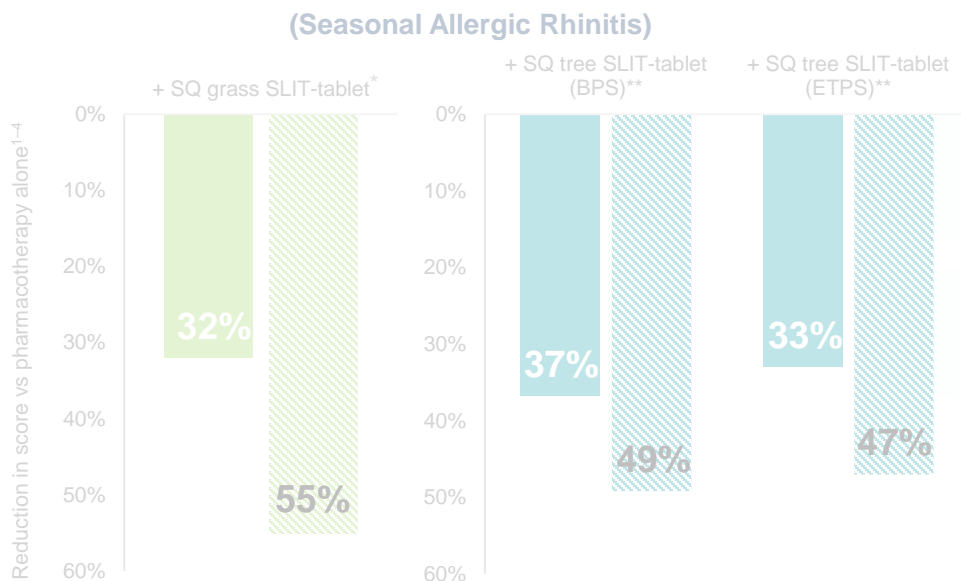


*Median scores. **Mean scores.

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.

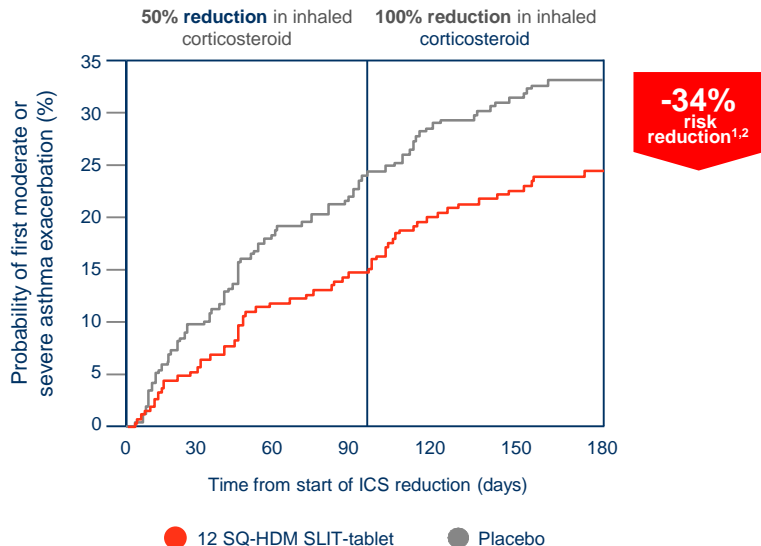
Consistent improvement in allergy symptoms for **adults** and **children** with SQ SLIT-tablets



*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.



I've been on antihistamines and sprays for several seasons. Isn't there anything more you can do for me?

The ALK Business Transformation

ALK

- Tablet portfolio
- Consolidated legacy portfolio



Solid sales growth in Europe and Int. markets

Europe



Q1

720m

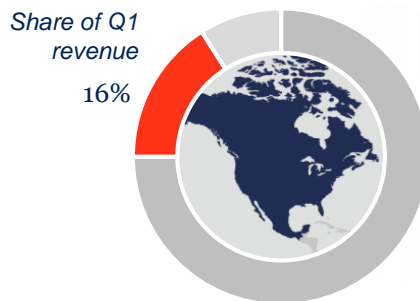
650m

+11%

■ 2020 ■ 2019

Sales in all markets expressed in DKK
Growth rates are organic and in local currencies

North America



Q1

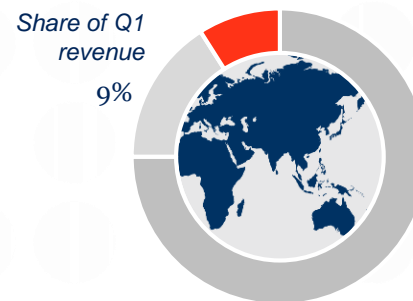
150m

156m

-4%

■ 2020 ■ 2019

International markets



Q1

86m

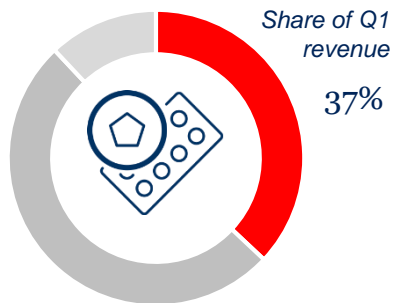
61m

+43%

■ 2020 ■ 2019

Tablet sales continue to build momentum

Tablets



Q1

356m

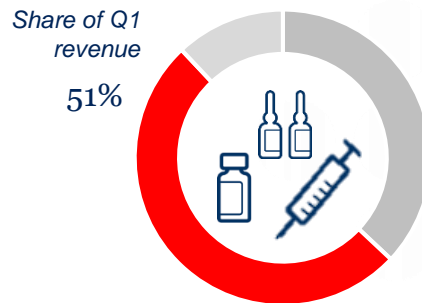
256m

+38%

■ 2020 ■ 2019

Sales in all markets expressed in DKK
Growth rates are organic and in local currencies

SCIT/SLIT-drops



Q1

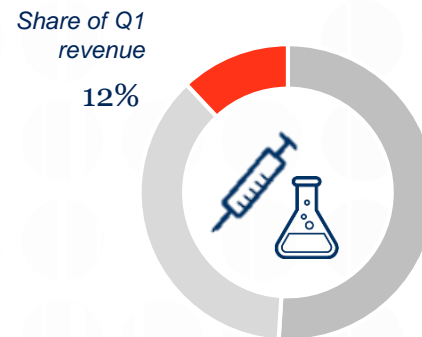
487m

495m

-2%

■ 2020 ■ 2019

Other products



Q1

113m

116m

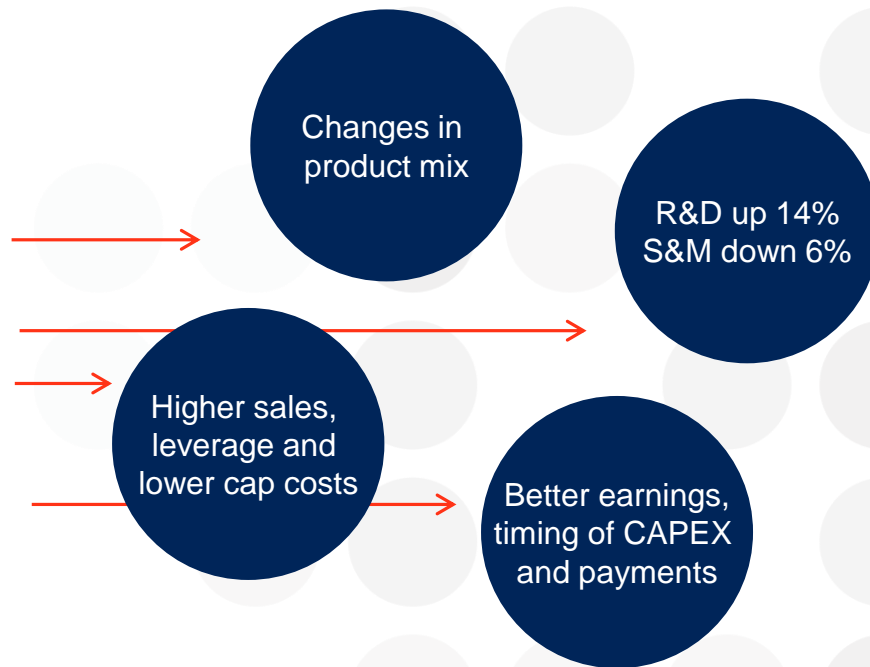
-2%

■ 2020 ■ 2019

Financial robustness improved further in Q1

EBITDA up 49%

DKK million	Q1 2019	Q1 2020
Revenue	867	956
Gross profit	532	585
Gross margin	61%	61%
Capacity costs	456	448
EBITDA	133	198
EBIT	76	137
Free cash flow	(17)	21
Cash/credit facilities	975	922



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, along with the extent and duration of countermeasures against the virus, represents an additional uncertainty that may also affect forward-looking statements.

Thank you for your attention

Investor Relations:

Per Plotnikof,

Vice President, Head of Investor Relations

Phone: +45 4574 7576

E-mail: ppidk@alk.net

Read more: www.alk.net

