

Allergy solutions for life

IR roadshow
presentation

August 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

 **ALK**

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 key figures

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



Established:

1923



Employees:

~2,500



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

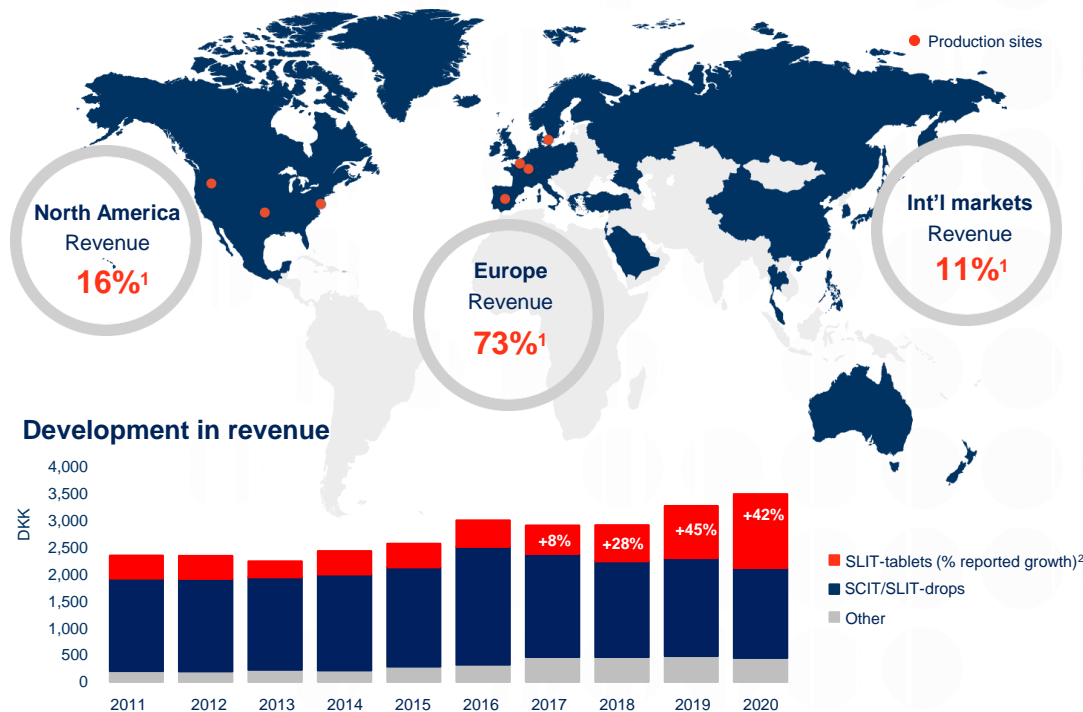


Participated in clinical
trials for the tablets

>23,000

* Covering AIT and anaphylaxis

Global presence



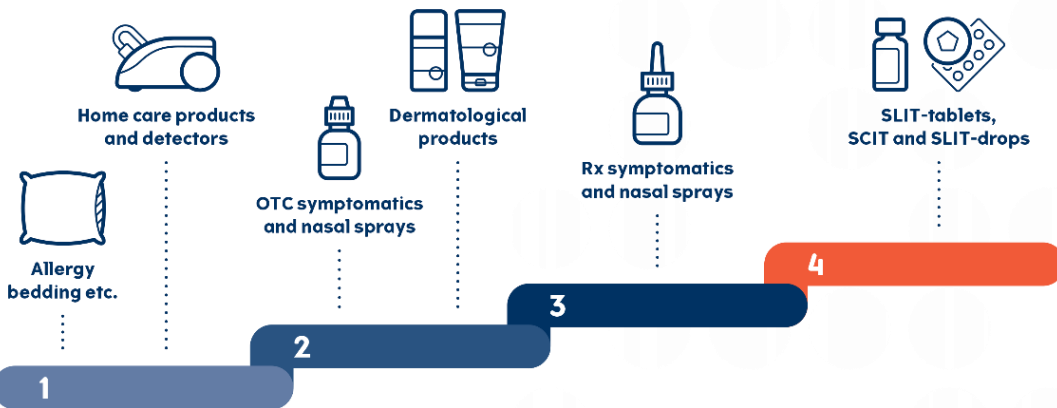
² includes certain milestone payments from partnerships in the period 2011 to 2016

¹ Percentage of 2020 revenue

Allergy Disease Management

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

500m (100%)
Affected by allergic rhinitis



Drug-free symptom relief

- Allergen avoidance
- Drug-free treatment concepts (e.g., sprays or saline inhalers)

Over-the-counter pharmacotherapy

- First-line drugs
- Self treatment often lasts five years or more

Prescription pharmacotherapy

- Second-line drugs
- Treatment lasts years

Allergy immunotherapy

- AIT is usually prescribed as a last resort
- Usually initiated after serious disease aggravation

← Allergy disease /
Pollen count information →

50m (10%)
Eligible for AIT treatment

<5m (~1%)
Treated with AIT



Current
ALK space

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%

Important progress on strategy execution

Sustain high growth

Continue tablet-fuelled growth momentum

Expand global leadership
in respiratory AIT

Become relevant for
many more allergy sufferers

Accelerate long-term growth:

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

Financial ambitions until 2025

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

Revenue growth of $\geq 10\%$ annually

Continuously raise EBIT margin to $\sim 25\%$ in 2025

Strong sales and clinical progress for tablets

Succeed in North America

Targets



>10% growth

Tablet sales up 59%, legacy and non-AIT grow following easing of COVID restrictions



Digital engagement

Telehealth partnership expanded to new regions, klarify engagement platform launched in Canada



Business development

OTIPRIO[®], a treatment for swimmer's ear, acquired from Otonomy

Complete and commercialise tablet portfolio for all relevant ages

Targets



>20% growth

ITULAZAX[®] continues to lead the way for tablet sales growth



New approvals

A further 22 approvals secured for tablets



Paediatric & adolescent development

ACARIZAX[®]/ODACTRA[®]: US adolescent trial completed ahead of application for expanded use. Other trials progressing to plan

Accelerated business innovations to sustain growth

Consumer engagement and new horizons

Targets



~160,000 consumers mobilised via digital channels across all markets

Mobilise 250k patients



Business development

Licensing agreement with Grandpharma to register and commercialise Jext[®] in China



Innovation

Food AIT: Agreement with Catalent on use of tablet formulation technology



Optimise for excellence

Targets



Portfolio rationalisation

Year-to-date: >1,000 regulatory changes submitted to 36 regulatory authorities



Engagement

Focus on employee engagement and retention, with employee survey results showing engagement levels above pharma benchmark



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

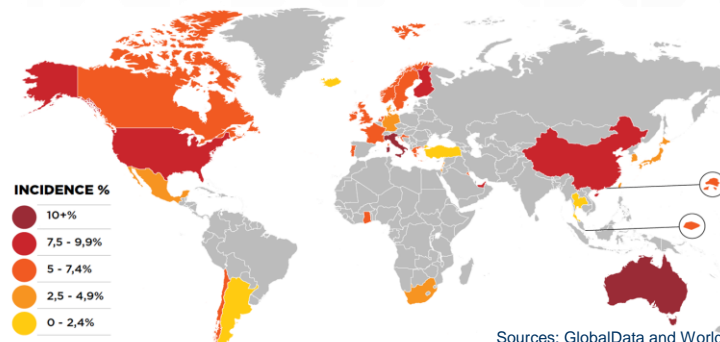
- Focus on allergies with the highest unmet need in children: Initially peanut, then tree nuts
- Sublingual, prescription-based treatments, building on ALK core competencies
- Aspire to deliver solution with high efficacy and benign safety



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



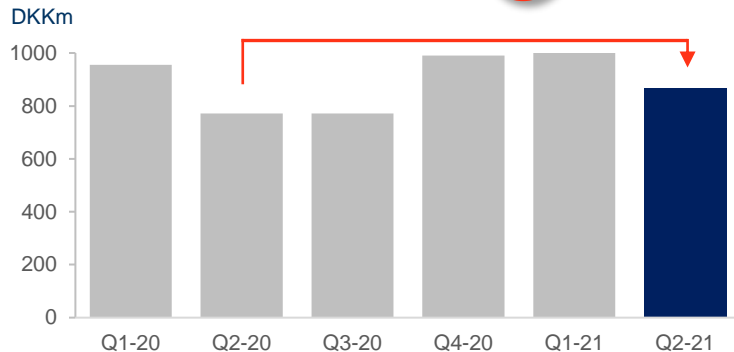
Sources: GlobalData and Worldallergy.org

Q2 revenue up 13%, 2021 full-year outlook upgraded

- Tablet sales up 23% and recovery of legacy sales.
- EBITDA of DKK 48m better than expected.
- FY outlook upgraded on improved sales outlook and increasing earnings.
- Significant strategy progress: China partnership, tablet approvals, clinical progress and more...

Group revenue and growth

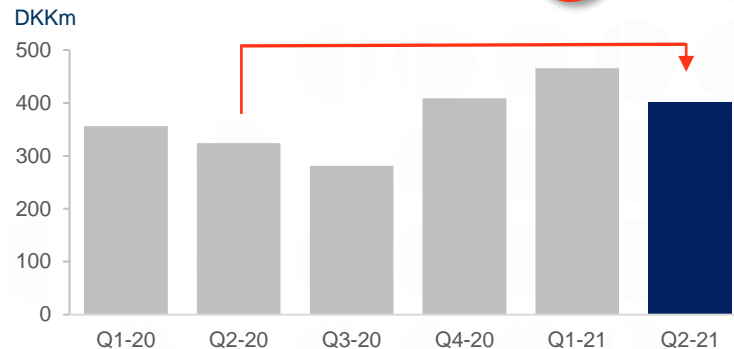
+13%



Sales growth rates are in local currencies

Global tablet sales and growth

+23%



Q2: Improved growth outlook for 2021

DKK million	2019	2020	2021E*
Revenue	3,274	3,491	10-12%
Tablet sales growth	45%	42%	~25% or slightly above
Gross margin	58%	58%	59-60%
R&D	466	515	Slightly lower than 650
Sales/Marketing & Adm.	1,456	1,362	
EBITDA	241	395	450-500
CAPEX	167	222	250-300
Free cash flow	(25)	56	Minus ~100
Cash and marketable sec.**	316	298	

*) based on the 2021 guidance issued on 9 August 2021

**) Additional, unused credit facility of DKK 600 million in place

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 upgraded

	5 Feb 2021 Outlook	5 May 2021 outlook	9 Aug 2021 outlook	Comments	2020 actuals
Revenue	+8-12% (l.c.)	+9-12% (l.c.)	+10-12% (l.c.)	<ul style="list-style-type: none"> FY tablet growth now at to 25% or slightly above (previously ~25%) 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	<ul style="list-style-type: none"> Gross margin still to increase by 1-2 p.p. General cost savings R&D now slightly below DKK 650m Sales and marketing costs to normalise gradually 	395m
Free cash flow	DKK -200- 300m	Approx. DKK -200m	Approx. DKK -100m	<ul style="list-style-type: none"> Improved earnings, upfront payment DKK 250-300m CAPEX (previously ~300m) ~DKK 175m in payments of accrued rebates 	56m

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

H1: Revenue and segment information

	Europe		North America		International markets		Total	
Amounts in DKKm	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
SCIT/SLIT-drops	614	649	142	132	28	48	784	829
SLIT-tablets	662	507	58	46	147	127	867	680
Other products and services	98	104	121	102	19	13	238	219
Total revenue	1,374	1,260	321	280	194	188	1,889	1,728
Sale of goods							1,855	1,701
Royalties							34	27
Total revenue							1,889	1,728

	Europe		North America		International markets		Total	
Growth, H1 2021	Growth l.c.	Growth	Growth l.c.	Growth	Growth l.c.	Growth	Growth l.c.	Growth
SCIT/SLIT-drops	-5%	-5%	17%	8%	-40%	-42%	-4%	-5%
SLIT-tablets	30%	31%	33%	26%	16%	16%	28%	28%
Other products and services	-5%	-6%	29%	19%	57%	46%	14%	9%
Total revenue	9%	9%	24%	15%	5%	3%	11%	9%

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 better than expected

DKK million	6M 2020	6M 2021
Revenue	1,728	1,889
Gross profit	1,021	1,136
Gross margin	59%	60%
Capacity costs	868	979
EBITDA	273	274
EBIT	153	158
Free cash flow	27	128
Cash/credit facilities	892	1,403

Positive impact
of continued
tablet growth

R&D spend
increased as
planned by
DKK 89m

Underlying
improvement
excluding
R&D

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

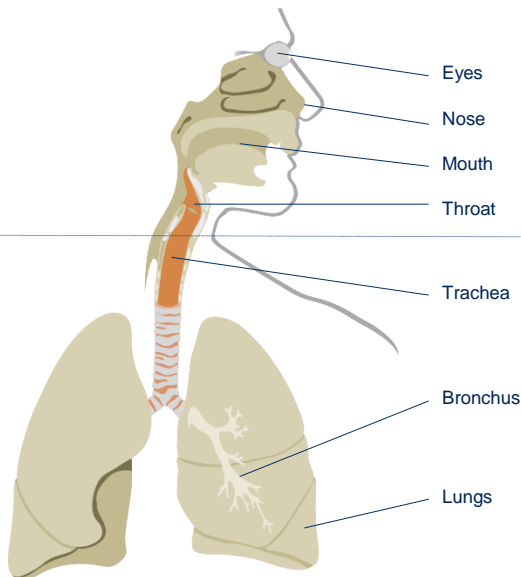
Respiratory allergies can affect both the upper and lower respiratory tract.

Upper respiratory tract – allergic rhinitis

Running or blocked nose, itchy eyes, sneezing.

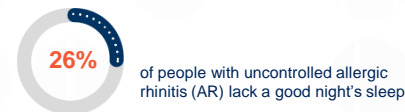
Lower respiratory tract – allergic rhinitis

Shortness of breath, narrowed airways, coughing, wheezing.



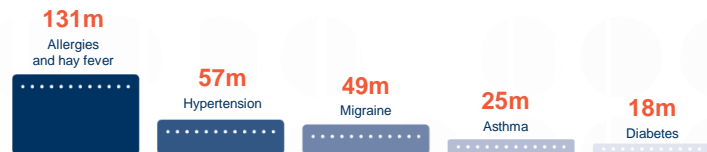
Insufficient sleep

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

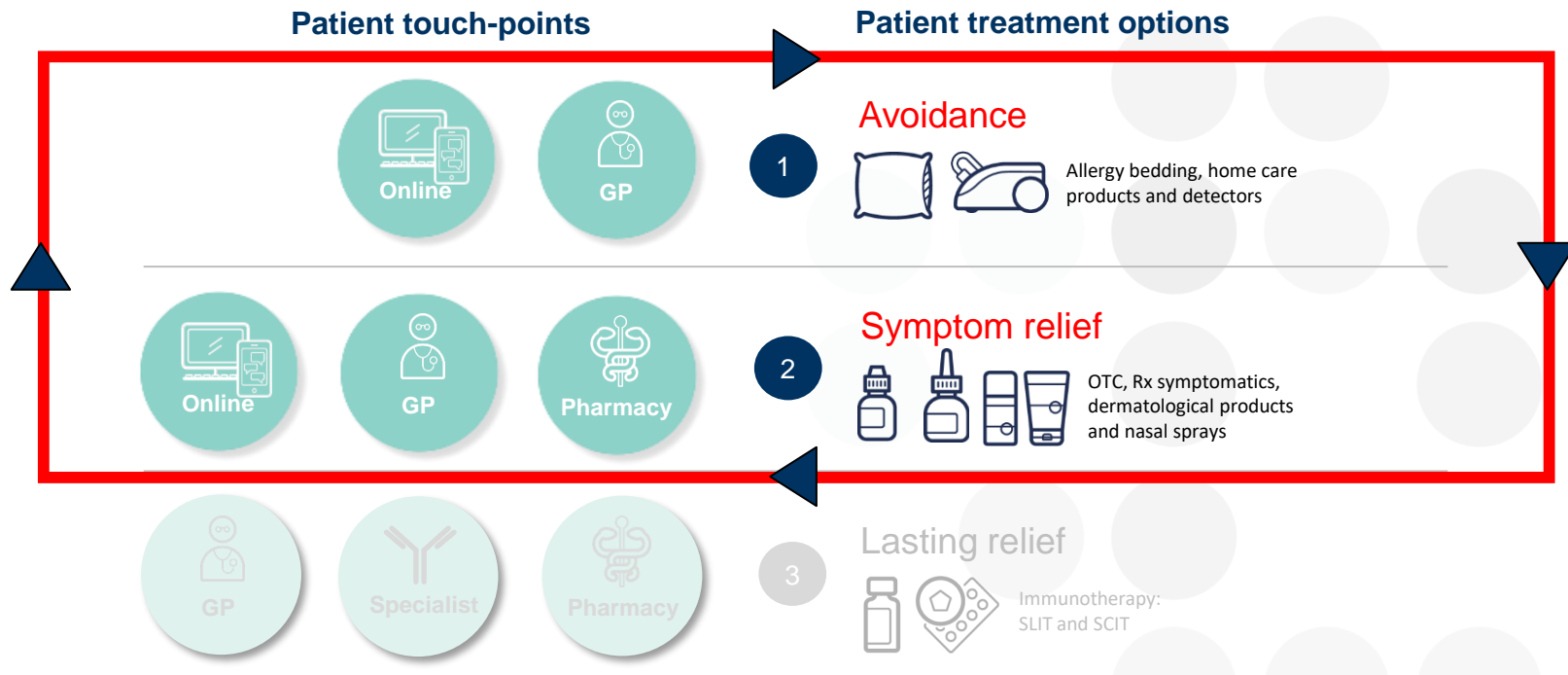
Treatment strategies in allergy

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

Only 1% on AIT

500m

affected by allergic rhinitis

50m

eligible for AIT

5m

on AIT



GP



Specialist



Pharmacy

3

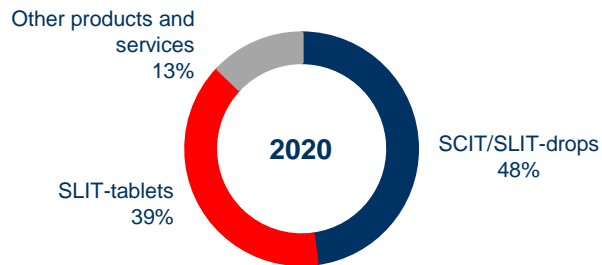
Lasting relief



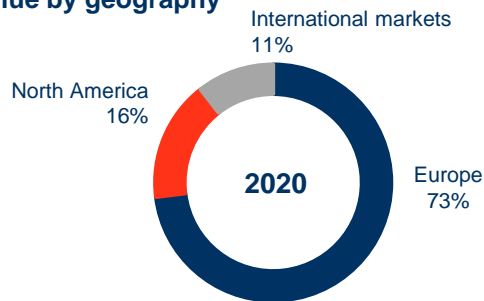
Immunotherapy:
SLIT and SCIT

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



GRAZAX® Europe

Adults and children – Allergic rhinitis (grass)

GRASTEK® North America

Adults and children – Allergic rhinitis (grass)

GRAZAX® International marketsⁱ

Adults and children – Allergic rhinitis (grass)

Phase I

Phase II

Phase III

Filing

Marketed

2007

2014

2017



RAGWITEK® North America

Adults and children – Allergic rhinitis (ragweed)

RAGWIZAX® Europe & International markets

Adults and children – Allergic rhinitis (ragweed)

2014/21

2020



ACARIZAX® Europe

Adults – Allergic rhinitis and allergic asthma (HDM)

Adolescents – Allergic rhinitis (HDM)

ACARIZAX®/ODACTRA® North America

Adults – Allergic rhinitis (HDM)

MITICURE™ Japanⁱⁱ

Adults and children – Allergic rhinitis (HDM)

ACARIZAX® International marketsⁱ

Adults – Allergic rhinitis and allergic asthma (HDM)

ACARIZAX® China

Adults – Allergic rhinitis (HDM)

ACARIZAX®/ODACTRA® Europe & North America

Children – Allergic asthma (HDM)

ACARIZAX®/ODACTRA® Europe & North America

Children – Allergic rhinitis (HDM)

ODACTRA® North America

Adolescents – Allergic rhinitis (HDM)

2016/17

2017/18

2015/18

iii



CEDARCURE™ Japanⁱⁱ

Adults and children – Allergic rhinitis (Japanese cedar)

2018

ITULAZAX®/ITULATEK™ Europe & Canada

Adults – Allergic rhinitis (tree: birch family)

ITULAZAX®/ITULATEK™ Europe & Canada

Children – Allergic rhinitis (tree: birch family)

2019/20



~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

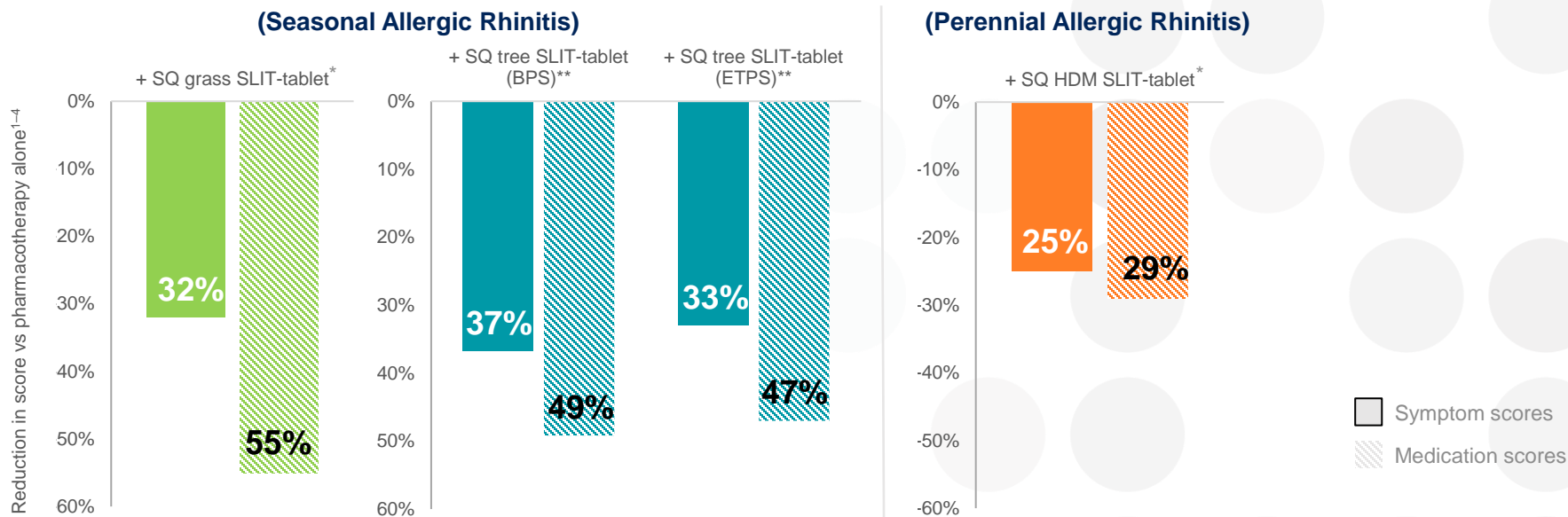
iii. Already marketed in selected markets

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

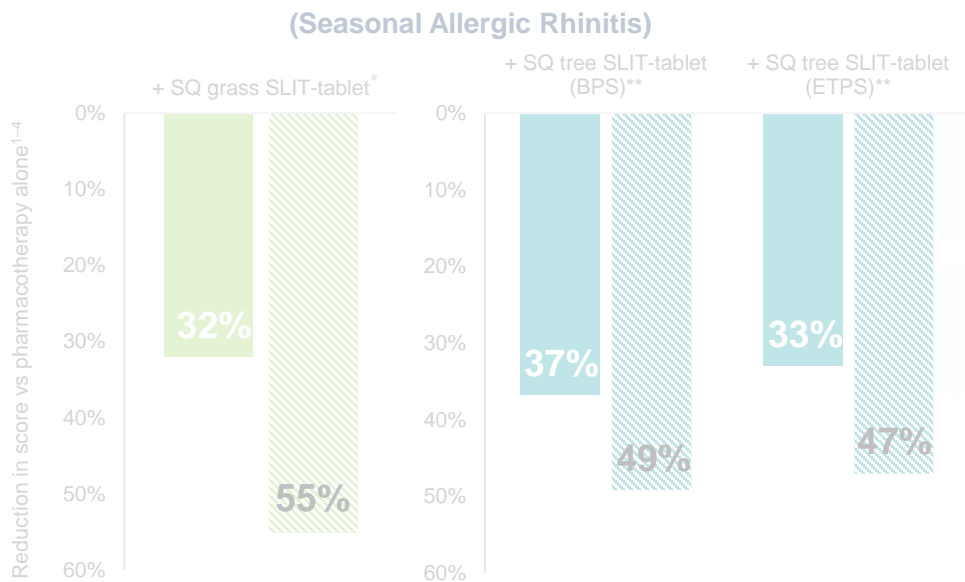


*Median scores. **Mean scores.

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%

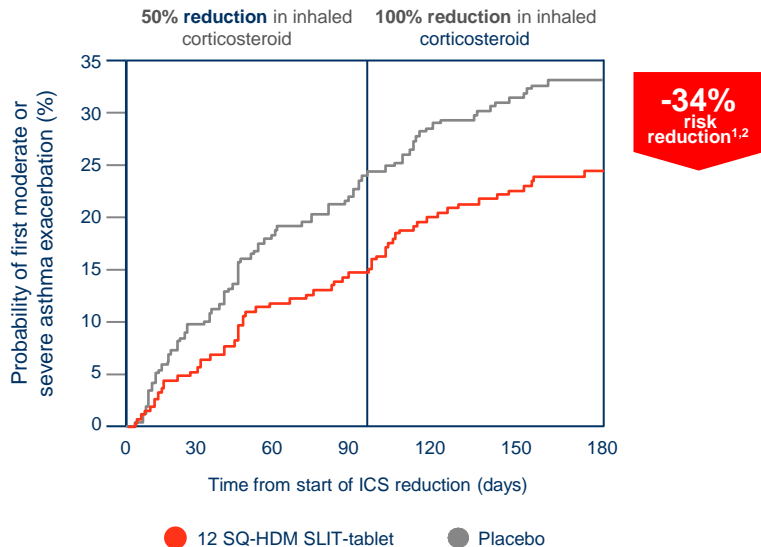
Improvement in combined symptom and medication score (TCS) vs. Placebo in **children** with ragweed AR¹

□ 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.



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

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



Financial ambitions until 2025

An ALK capable of delivering sustainable revenue growth and improved profitability

Revenue growth

≥10%

annually

EBIT margin

~25%

2025

Assumptions

- Gradually improving gross margin
- Significant R&D spend 2021-22; spend to decrease relative to revenue w. completion of large-scale development for respiratory tablets
- Costs for food allergy and new research included
- Leverage of sales and marketing platform will further decrease sales and marketing costs relative to revenue
- Annual CAPEX of ~DKK 300 million
- Not included: significant M&As, partnerships or in-licensing

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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