

A world leader in allergy immunotherapy



2014 results and 2015 outlook
Teleconference – 9 February 2015



Agenda

2014

- Q4 and full-year highlights
- Q4 and full-year market trends
- Full-year financials

2015

- North America
- Pipeline and news flow
- *Grow* initiatives
- Outlook

Q&A session



CEO
Jens Bager



CFO
Flemming Pedersen



Head of IR
Per Plotnikof

Highlights

Q4: +5% in base business revenue – Jext[®] coverage restored



Full-year: +4% in base business; +10% in both SCIT and GRAZAX[®]



Full-year EBITDA of DKK 453m before special items



Globalisation of AIT stepped up, new partnership for AUS, NZ



Additional investments to accelerate growth



Significant news-flow ahead



Growth rates are stated in local currencies

Europe: Back to growth

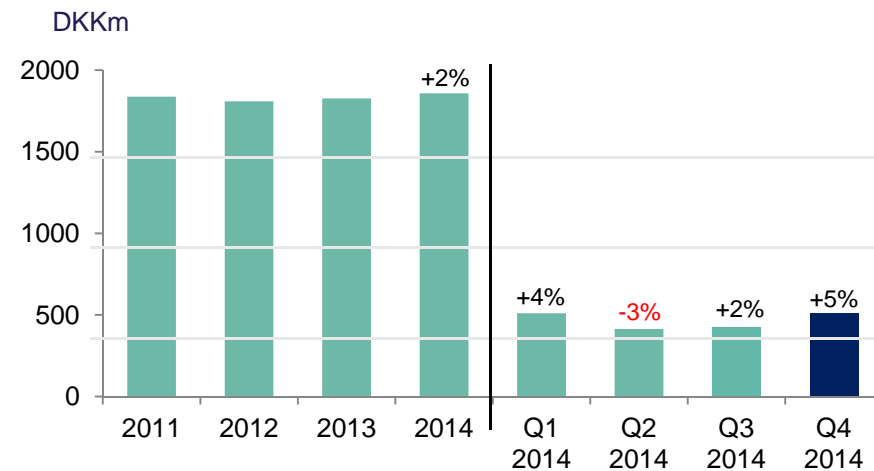
Q4: 5% growth

- SCIT, GRAZAX[®] and Jext[®]
- Jext[®] market coverage now restored

Full-year: 2% growth

- Mixed market conditions
- Positive sales trends in Germany, France, Nordic and eastern Europe
- +8% for SCIT and +10% for GRAZAX[®]
- Further decline in SLIT-drop sales, steep decline in the Netherlands

Revenue in Europe



North America: 13% growth for non-partnered products

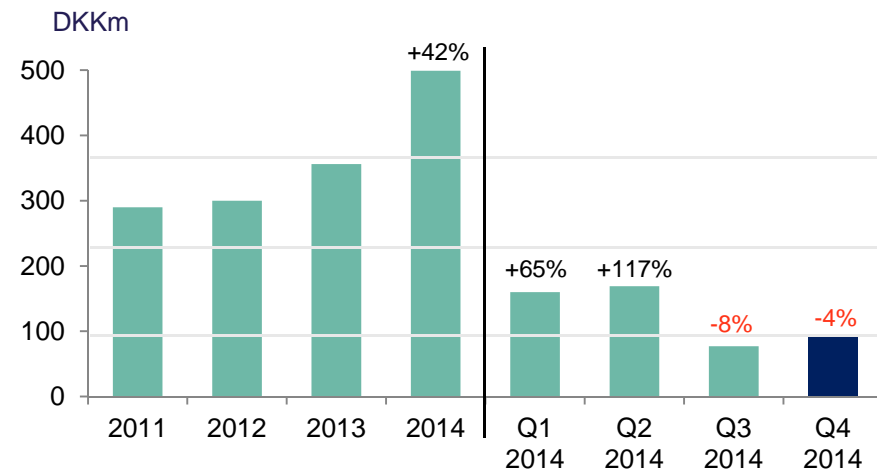
Q4: -4% growth

- Double-digit growth in own products
- Lower income from Merck partnership

Full-year: 42% growth

- +13% in SCIT sales
- +14% in sales of other products
- +127% in partner income, including three milestone payments

Revenue in North America



International markets: Increased sales in China

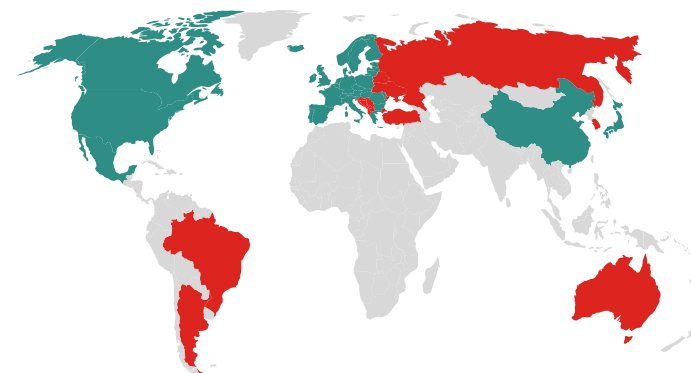
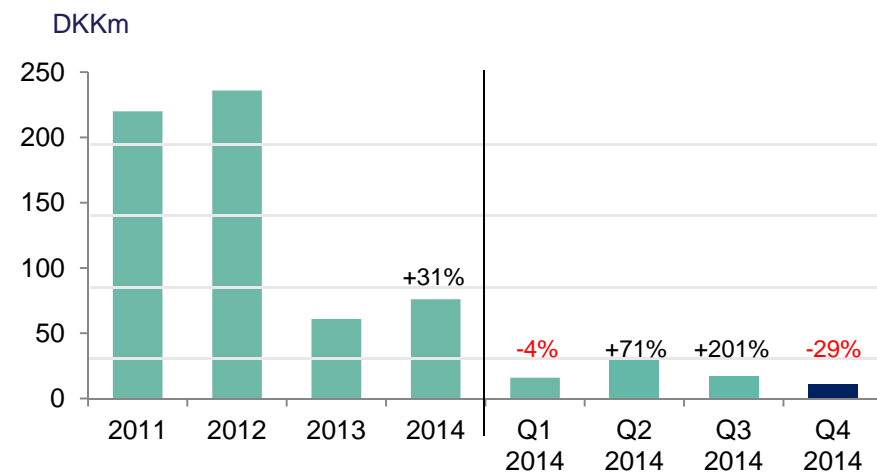
Q4: -29% growth

- Fluctuations in supply to China

Full-year: 31% growth

- Sales of own products up 7%
- Eddingpharm collaboration adds to growth in China
- Upfront payment from Eddingpharm
- R&D reimbursement from Torii

Revenue in International markets



Existing markets Markets of interest

Revenue and earnings growth

DKK million	2013	2014
Revenue	2,244	2,433
Gross profit	1,547	1,697
Capacity costs	1,417	1,388
EBITDA before special items	258	453
EBITDA	236	404
Net profit	61	181
Cash flow operations	146	320
Cash flow investments	(231)	(219)
Free cash flow	(85)	101

4% growth in base business to DKK 2,219 million

Milestone payments raise margin to 70% (69%)

DKK 273m excl. royalties & milestones (DKK 221)

Proposed dividend: DKK 5 per share

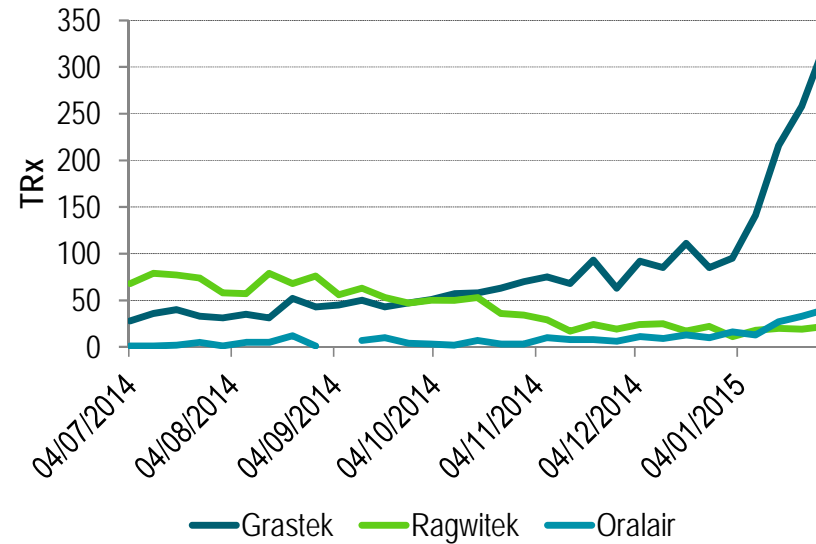


Forward-looking statements

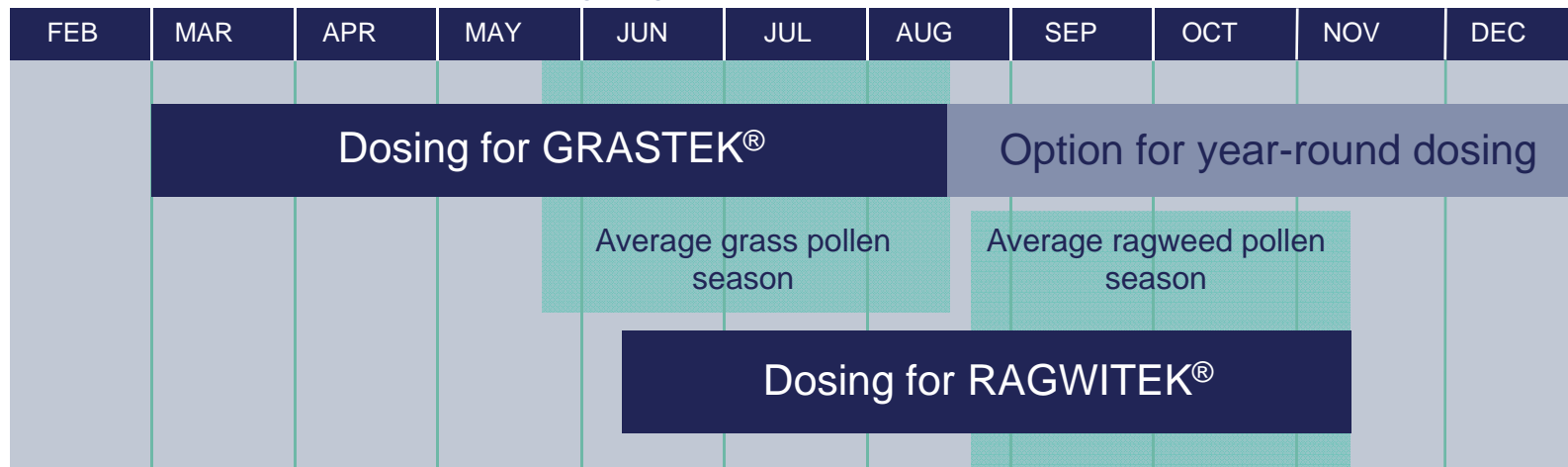
This presentation contains forward-looking statements, including forecasts of future revenue and operating profit as well as expected business-related events. Such statements are subject to risks and uncertainties as various factors, some of which are beyond ALK's control, may cause actual results and performance to differ materially from the forecasts made. Without being exhaustive, such factors include general economic and business-related conditions including legal issues, uncertainty relating to demand, pricing, reimbursement rules, partners' plans and forecasts, fluctuations in exchange rates, reliance on suppliers, as well as market structure.

An additional factor would be the consequences of potential side effects from the use of ALK's products, as allergy immunotherapy may be associated with allergic reactions of differing extent, duration and severity

Introducing SLIT-tablets in North America



Seasonal dosing begins ~12 weeks ahead of pollen seasons



Completion of SLIT-tablet portfolio

	Product	Pre-clinical	Phase I	Phase II	Phase III	Filing (exp.)	Marketed
	GRAZAX® Grass ARC	█	█	█	█	█	2007
	GRAZAX® Asthma prevention	█	█	█	█	2016	
	HDM SLIT-tablet HDM rhinitis/asthma	█	█	█	█	█	
	Tree SLIT-tablet Tree ARC	█	█	█	█	TBC***	
	GRASTEK®* Grass ARC	█	█	█	█	█	2014
	RAGWITEK™* Ragweed ARC	█	█	█	█	█	2014
	HDM SLIT-tablet* HDM rhinitis	█	█	█	█	TBC***	
	HDM SLIT-tablet** HDM rhinitis	█	█	█	█	█	
	Japanese cedar SLIT-tablet Cedar pollen ARC	█	█	█	█	TBC***	

ARC: allergic rhinoconjunctivitis
 America HDM: house dust mites

*) Licensed to Merck for North
 **) Licensed to Torii for Japan
 ***) To be communicated

Major pipeline events in 2015/16

Pivotal news-flow supporting globalisation of AIT

Events		Exp. timing
Europe	Regulatory approval of HDM SLIT-tablet	Q4 2015
	Completion of GAP (<i>GRAZAX Asthma Prevention trial</i>)	Q4 2015/Q1 2016
	Further development of the tree SLIT-tablet	2015/16
North America	Completion of HDM SLIT-tablet (rhinitis) Phase III trial	Q2/Q3 2015
	Submission of BLA for HDM SLIT-tablet	2015/16
	Initiation of paediatric development of RAGWITEK®	2015/16
Japan	Regulatory filing of HDM SLIT-tablet	Q1 2015 ✓
	Data from Japanese cedar SLIT-tablet Phase II/III trial	2015/16
	Regulatory review of HDM SLIT-tablet	2015/16
Rest of world	Regulatory filing of GRAZAX® in Russia	2016
	Filing of GRAZAX® and HDM SLIT-tablet in AUS & NZ	2015/16

Growth initiatives

DKK 200m in support of long-term growth

Activities ahead of HDM SLIT-tablet EU launch

- Allergy Unlocked®
 - Sharing of scientific data with KOLs and doctors: Symposia, congresses, publications, guidelines
 - Market access: Discussion of value dossier with payers. Focus on patients in poor control

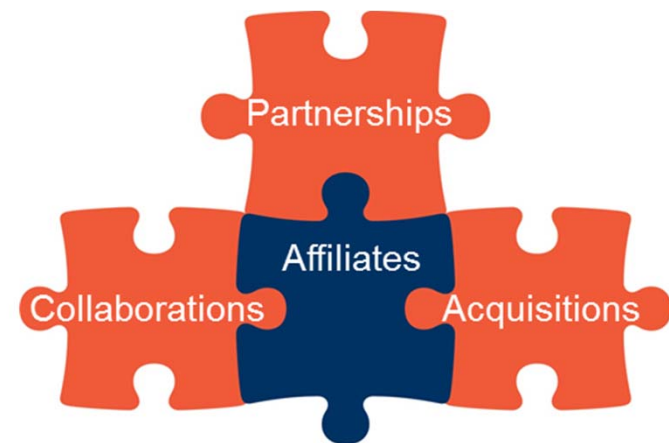
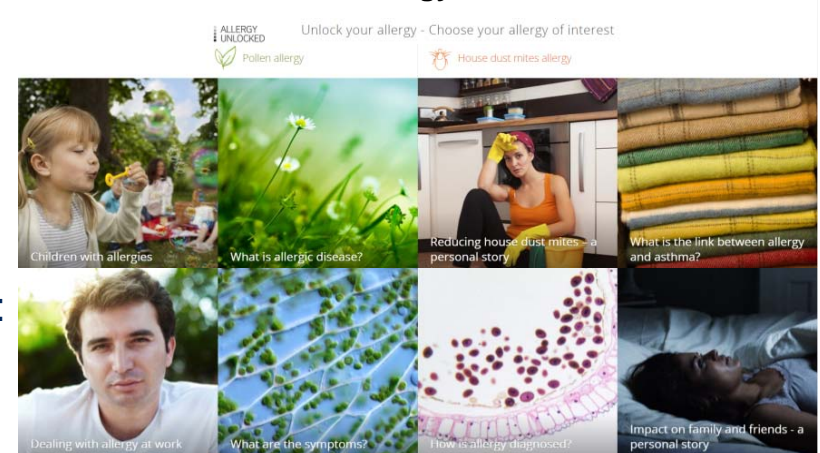
Expansion outside Europe

- Affiliates, acquisitions or collaborations
- Turkey, eastern Europe, Australia/New Zealand and Asia-Pacific

Capacity build-up for HDM SLIT-tablet

- Production costs, QA, QC, etc.

Visit www.allergyunlocked.com



New partnership with bioCSL

Partnership for Australia and New Zealand

- Exclusive rights to commercialise HDM SLIT-tablet, GRAZAX®/GRASTEK® and Jext®

Fastest growing chronic disease in Australia

- Allergic rhinitis affects ~18% of the population

Deal structure based on revenue split

- Minor upfront payment
- Milestone on approval of HDM SLIT-tablet in AUS

bioCSL AUS-based pharmaceutical company

- 13,000 employees, HQ in Melbourne
- Prominent track-record within vaccines and AAI's

Visit www.biocsl.com.au



2015 Outlook

DKKm	Comments	2014 actuals
DKK 2.2-2.3bn base business revenue	<ul style="list-style-type: none"> • 0-5% growth, 2-7% excl. Dutch SLIT-drops • High, single-digit growth outside EU 	2.2bn
Revenue from SLIT-tablet partnerships	<ul style="list-style-type: none"> • No guidance on sales royalties, product supply, services and milestone payments • Potential milestones of DKK 170m in 15-16 	214m
DKK 225-300m EBITDA before special items, sales royalties, milestones	<ul style="list-style-type: none"> • Gross margins impacted by changes in sales mix and capacity build-up • DKK 200m to support long-term growth • Improved profitability in base business 	273m
~DKK 200m CAPEX	<ul style="list-style-type: none"> • SLIT-tablet capacity and new tree API line 	202m
Free cash flow	<ul style="list-style-type: none"> • Negative in the range of DKK 100-200m 	101m
USD sensitivity (+10%)	<ul style="list-style-type: none"> • Revenue: DKK ~ +40 million • EBITDA: DKK ~ 0 	

Q&A session



Thank you for your attention

Read more: www.alk.net

Upcoming events:

- Boston/New York roadshow, 24-25 February 2015
- Credit Suisse London One-on-One Healthcare Conference, 4 March 2015
- Kempen Lifesciences Conference, New York, 16 April 2015
- Deutsche Bank Global Healthcare Conference, Boston, 7 May 2015

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