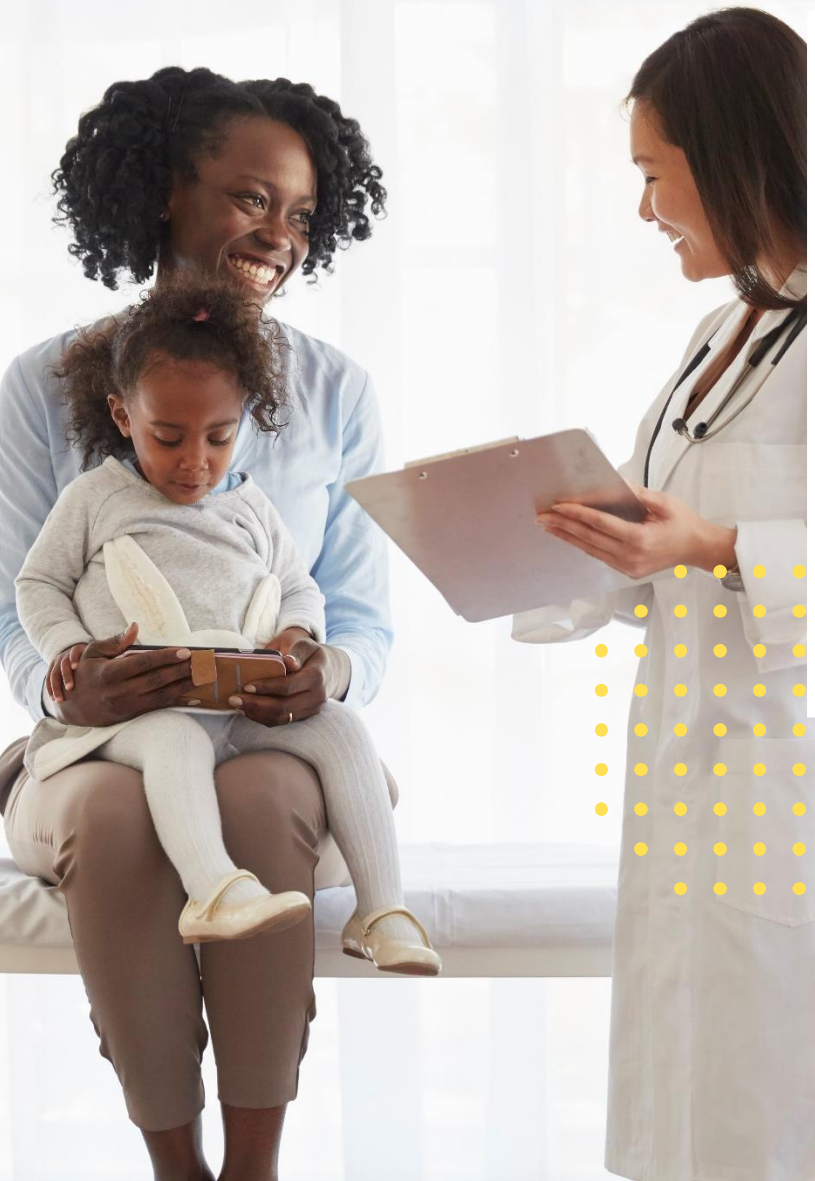
Allergy Therapeutics PLC



Delivering on our strategy – three areas for growth

Placing Roadshow - July 2018

Manuel Llobet, Chief Executive Officer
Nick Wykeman, Chief Financial Officer

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Allergy Therapeutics PLC

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Our Business and the Strategy

A Leading Allergy Immunotherapy Company: Three Pillars to Growth

Allergy Therapeutics PLC

Three pillars to the business

01

Expanding in Europe

Strongly performing profitable business

Growing market share and additional product registrations

02

Preparing for US entry

Significant opportunity in largest allergy market

Changing environment to drive market share towards Allergy's products

03

Strong pipeline

New technologies underpin pipeline breadth and depth

Investment strategy supported by growing revenue stream

Innovative, Broad Pipeline and Marketed Products

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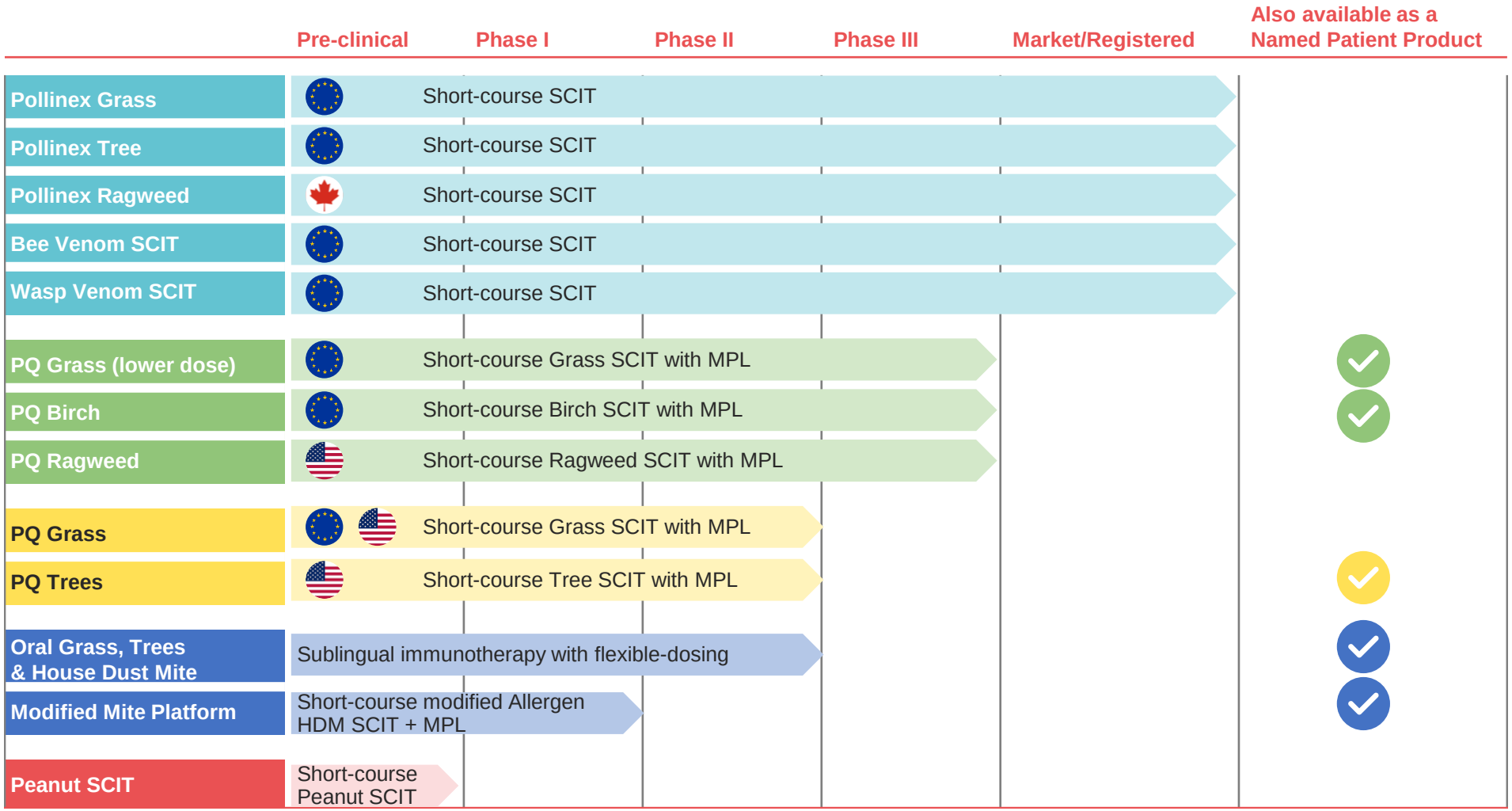

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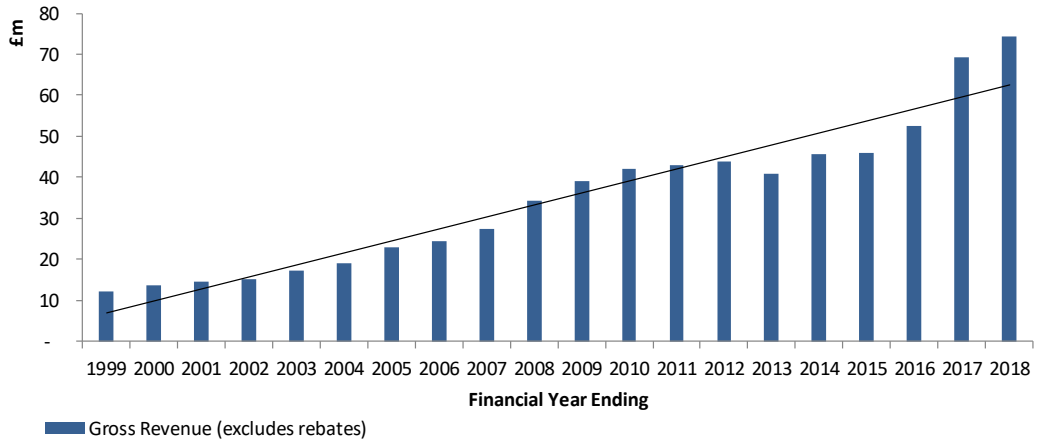
01 Expanding in Europe

European Business – 2018 Unaudited Full Year Results

Solid sales growth of 3.5% in 2018 and increased market share of 0.7 points* driven by:

- Innovative, convenient and patient-friendly (short-course) products
- Increased regulatory requirements to ATL advantage (TAV)
- Focused investment across business reflected in performance
- Strength of broad portfolio with modified Mite and Venom SCIT
- Scaling-up to drive technological and geographical expansion

10% CAGR growth over last 19 years since formation

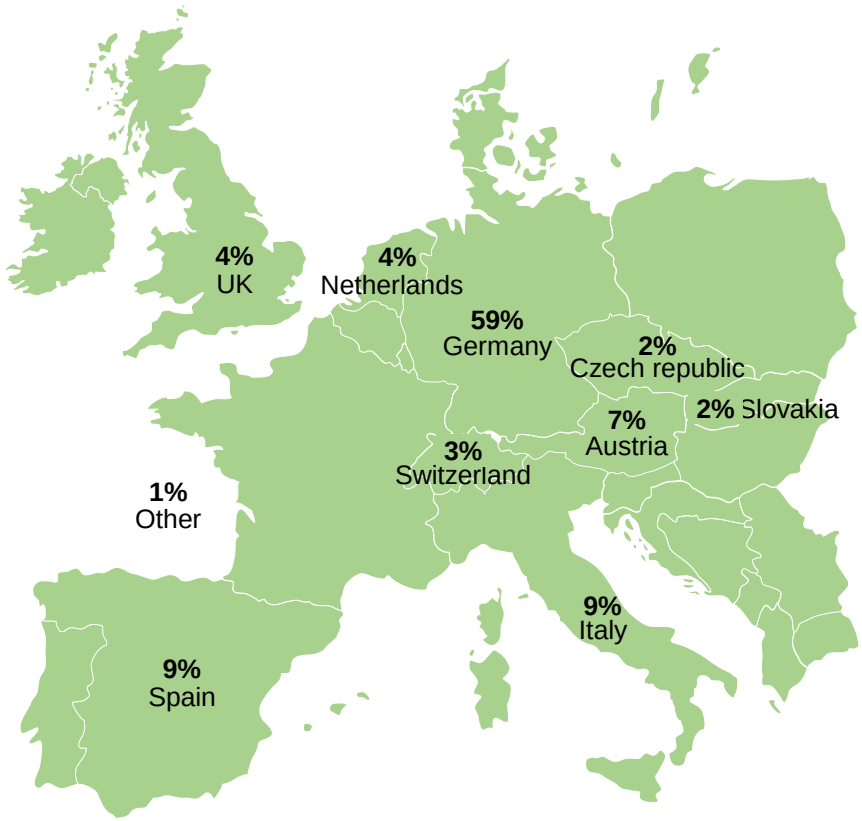


*Market data and internal estimates for 9 months to 31 March 2018, for markets in which Allergy Therapeutics' operates excluding Switzerland (competitor data not available).

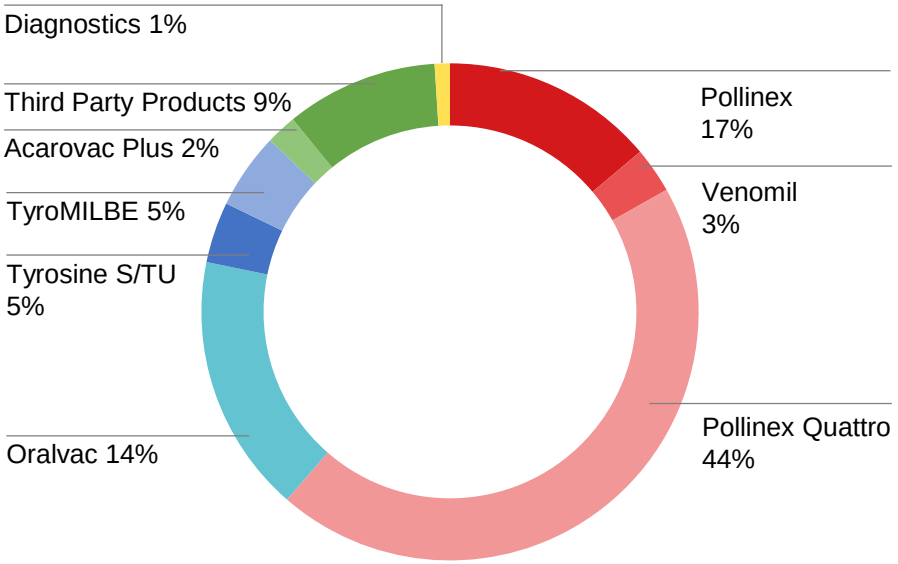
Sales breakdown for FY 2017
- injectable focus fits well with US market

Allergy Therapeutics PLC

Sales by country



Sales by product[1*]



Pollinex Quattro | Pollinex | Tyrosine | Oralvac

[1] Sales breakdown based on gross sales at budget exchange rates (before freight, discounts, rebates and exchange) : £63.2 million.
After deducting discounts, rebates, freight charges and foreign exchange adjustments, total sales for FY2017 is £64.1 million

***Allergy Therapeutics currently has no products licensed for sale in the USA**

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02 Preparing for US entry

US allergy immunotherapy market represents a significant and attractive commercial opportunity

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$2bn**

estimated allergy immunotherapy market

2-3m***

Americans receive allergy immunotherapy

>100 injections

Current treatment: up to 100 injections over 3-5 years***

15%*

Some adherence levels as low as 15%*

None

Currently no registered injected products

$300-400m**

Estimated peak grass sales

* Hankin CS, Cox L, Lang D, et al 2007 JACI
**Internal estimate
***Professor Lawrence DuBuske MD

The changing US regulatory landscape offers potential for significant commercial growth

Current US SCIT market

- **Home made, unlicensed** preparation
- **Non** GMP manufacturing
- **Non** registered
- **No** clinical evidence
- **Long** courses of treatment: **50 to 100** injections
- **Slow to act:** 6 to 12 months
- **Low** compliance

New USP and FDA regulations drive towards pharmaceutical grade, centrally manufactured, single allergen treatments

Allergy Therapeutics' entry in the US

- **Standardised** dose vaccine
- **GMP manufactured**
- **FDA submission**
- **Multiple** clinical studies
- **Ultra- short course** treatment: **4 to 6** injections
- **Efficacy** in 3 weeks for 4 shot treatment
- **High** compliance

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03 Strong Pipeline

Overview of Clinical Trials

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PQ Birch

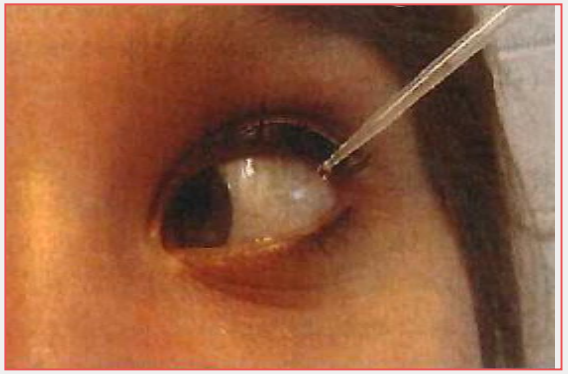
- Phase III field trial in Europe
- 582 patients from 59 centres in Germany, Austria, Poland and Sweden
- Double blind placebo controlled trial
- Pivotal trial for approval in Germany
- Combined Symptom Medication Score – based on patient daily symptom score and level of medication taken
- Co-seasonal trial
- Readout Calendar Q3 2018

PQ Grass

- Phase II dosing trial to move towards second Phase III trial + safety database
- Conjunctival Provocation Test to determine optimal efficacious cumulative dose
- 447 patients in 50 sites in Germany, Austria and Poland
- Total Symptom Score – measures four aspects of eye symptoms
- Pre seasonal trial
- Highly positive Phase II results announced calendar Q2 2018

G205: Key Study Results

- Primary endpoint of trial met with highly statistically significant dose-response relationship
- All dosing regimes safe and well tolerated
- Current marketed product showed significant improvement compared to placebo
- Significant increase in immunoglobulin results, highly consistent with dose response observed for primary endpoint
- Adherence to short course treatment excellent (>95%)



G306 Phase III trial

- Field study in both US and Europe
- Pivotal for both US and Europe
- Dosing planned to commence in calendar H2 2019 with results in H2 2020
- Funding for trial based on current resources plus proposed placement funding

PQ Grass MATA MPL Timelines

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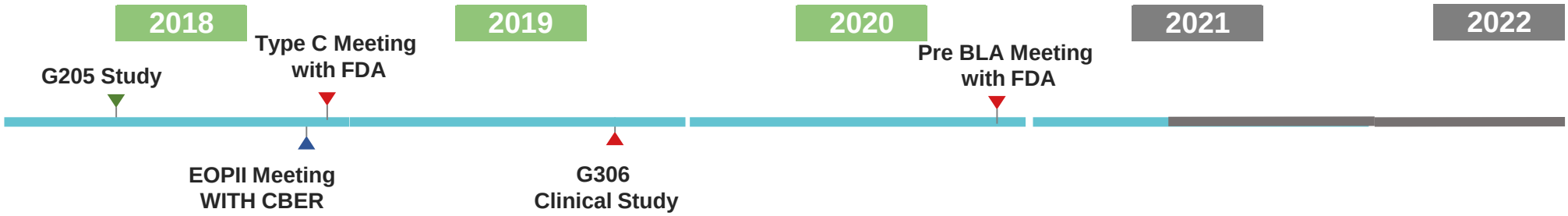


Key Considerations for **Grass MATA MPL**

Market

- Allergies are the 6th leading cause of chronic illness in the U.S.[1] Market worth $2Bn/yr
- More than 50 million Americans suffer from allergies each year.

Competition

- 2nd Generation antihistamines (Claritin) started to become OTC in ~2003[2]
- Allergra (Fexofenadine) and Xyzal (Levocetirizine) followed suit (OTC not covered by insurance)
- Grass tablet (Grastek) launched by ALK in 2014 (1 Grass spp. EpiPen co-prescribed)
- Grass tablet (Oralair) launched by Stallergenes in 2014 (5 Grass spp. EpiPen co-prescribed)

Perception of Grass MATA MPL

- Modified allergen injected product (positive perception on enhanced safety profile)
- Inclusion of adjuvant MPL leads to shorter therapy duration & thus increased compliance
- A registered injected AIT with proven efficacy would be beneficial (better than compounding)

Pricing

- Grastek® costs $300[3] and Oralair costs $500[4] per 30 days
- Perception amongst HCPs in USA is that Grass MATA MPL should be ~$2000[5]

1 – https://www.cdc.gov/
2 – https://www.medicinenet.com/script/main/art.asp?articlekey=21882 (accessed Mar 2018)
3 – http://www.rxeconsult.com/healthcare-articles/Grastek-Timothy-Grass-Pollen-Allergen-Extract-Cost-Dosage-Side-Effects-632/
4 - https://www.goodrx.com/oralair
5 – Personal communication at AAAAI 2018

Mite MPL house dust mite product

Phase I first patient treated
Study ongoing

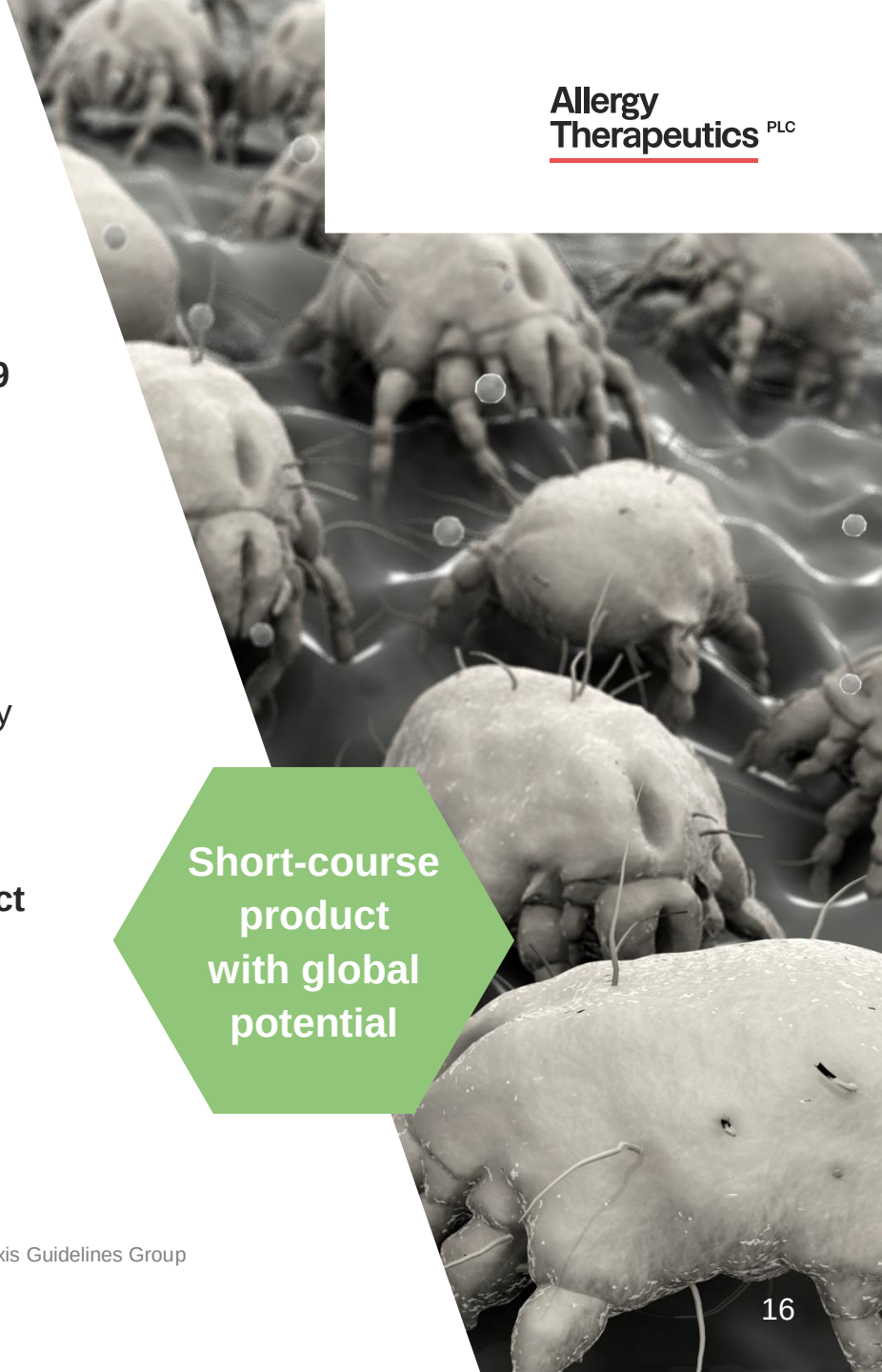
Results of Phase I Trial expected calendar H1 2019

Acarovac product without MPL growing well in Spain and Austria

Market opportunity of $3bn* worldwide with only Europe partly tapped already

Potential of 8 injection model compared to 12-15 average of competitors and once a day for 3 years oral treatment

Potential additional product in US portfolio following two Phase III trials



Short-course product with global potential

*The Journal of Allergy and Clinical Immunology 2016. 1% of US population. EACCI Food Allergy and Anaphylaxis Guidelines Group 2016 0.2% of Western European Population. Management assumption of annual treatment of $2k

Preclinical Pipeline: Polyvac peanut product

Single dose of virus like particle (VLP) combined with recombinant peanut allergen successfully **protects against anaphylaxis** when challenged with peanut

Manufacturing contract for scale-up of Polyvac product signed with AGC Biologics with aim of having first trial in humans in 2019

Those vaccinated with candidate vaccine exhibited no symptoms compared to placebo, when challenged with peanut

Peanut represents a new opportunity into $8bn* worldwide food allergy market

Safety profile of product evaluated and found **not to induce anaphylaxis**

Pre-clinical development progressing according to plan with important product differentiation demonstrated – aim is long-term immunity

Positive results achieved from preclinical research of Polyvac Peanut

*The Journal of Allergy and Clinical Immunology 2016. 1% of US population. EACCI Food Allergy and Anaphylaxis Guidelines Group 2016 0.2% of Western European Population. Management assumption of annual treatment of $2k

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Placing

Purpose of Placing

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Raising of £10m primarily for:

1) Expansion of planned Phase III PQ Grass Trial (start H2 2019):
   - increase number of patients to power up study
   - vaccinate placebo arm (following completion of trial) to:
     - reduce overall cost of potential safety database[1]
   - additional project to analyse pollen trends in US to maximise exposure of patients to grass pollen

2) Part funding of Acarovac Phase II Trial (balance of funding for trial from CDTI, subject to contract, start 2019)

3) Continued progress on diversified pipeline (including peanut)

PQ Grass Potential in US: Sales of U$300-400m per year

[1]Safety database subject to discussions with regulatory authorities in the autumn

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Summary and outlook

2018 Financial highlights

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10% compound annual growth achieved over the past 19 years

3.5%* ▲

increase in revenue at constant currency* to

£66.4m

(H1 2017: £64.1m)

6.6% ▲

increase in reported revenue at

£68.3m

(H1 2017 £64.1m)

Increase in market share over 9 months to March 2018

Up 0.7 of a market share point

as a result of quality of technology and organisation

Cash balance of

£15.5m

(2017: £22.1m)

**Constant currency uses prior year weighted average exchange rates to translate current year foreign currency denominated revenue to give a year on year comparison excluding the effects of foreign exchange movements.

N.B. All financial dates refer to the financial year. All clinical dates refer to the calendar year.

2018/2019 Milestones

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Full year results

Early H2 2018

PQ Grass Phase II for US and Europe – results of conjunctival provocation test dosing trial in Europe

Q3 2018

PQ Birch Phase III for Europe
- results of pivotal field trial for PQ technology and part of the TAV process

H1 2019

Acarovac MPL Phase I – results for the new dust mite technology which could be developed for the Global market

Summary and outlook
2018 set to be a pivotal year

Allergy Therapeutics PLC

Delivering against our strategy: three pillars to growth

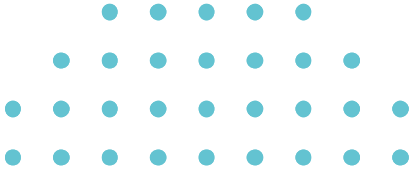
Robust financials set to continue

Clinical trials progressing as planned – broad pipeline underpinned by innovative technologies

Innovative and convenient, allergy vaccines

Board remains confident about Group's future prospects

Focused strategy to be first to market in the US SCIT segment



Successful Phase II Grass Trial

Continued gain in market share

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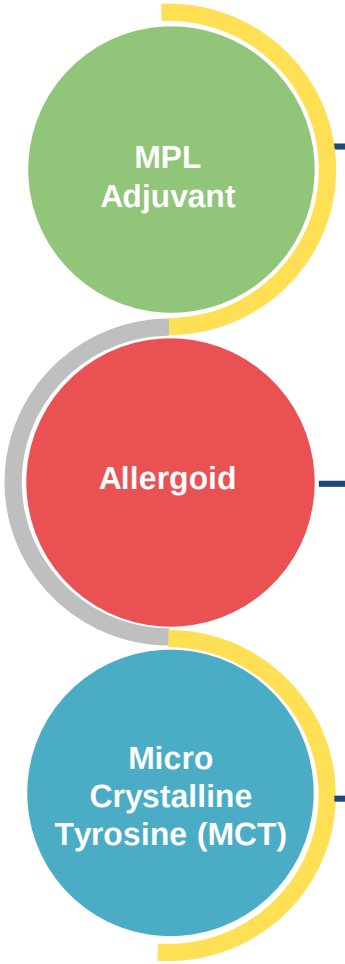
Appendix

PQ: Differentiated platform approach enhances compliance, leads to higher efficacy and successful outcomes



MPL Adjuvant

MPL (Monophosphoryl Lipid A) is a non-toxic derivative of lipopolysaccharide (LPS)

MPL allows the SIT treatment course to be shortened (big impact on adherence)

Allergoid

Allergen chemically modified

Reduces IgE reactivity and thus aids tolerability

MCT

A natural amino acid which is readily metabolised

L Tyrosine retains the Allergoid and MPL at the site of injection (half life = 48 hours) as depot

Pharmaceutical Company with Solid Sales and International presence

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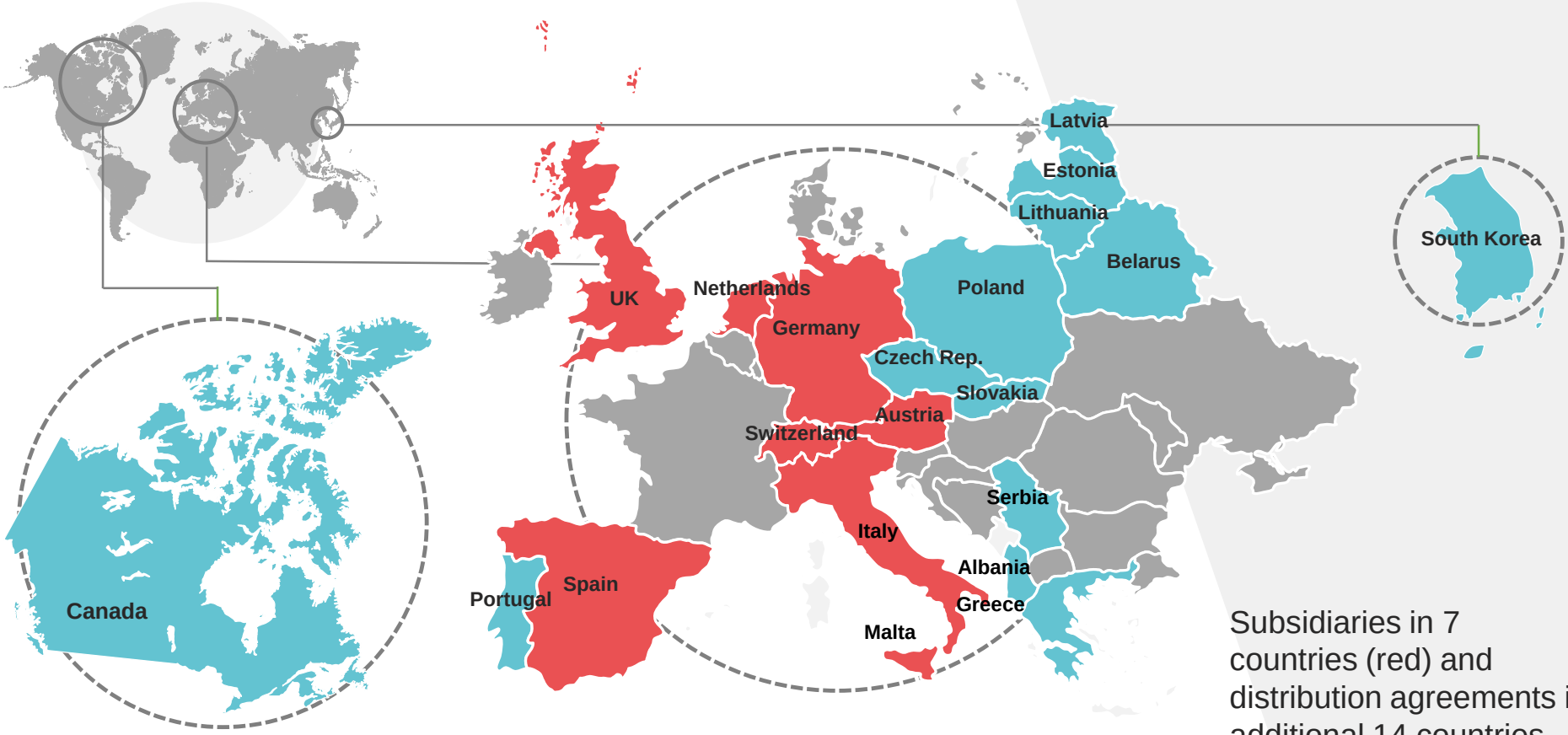
Sales and marketing network comprising c.160 European sales force



Subsidiaries in 7 countries (red) and distribution agreements in additional 14 countries (blue)

Platform Technologies

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	Modified Allergen (Allergoid)	Native Allergen	Recombinant Allergen	Microcrystalline Tyrosine (MCT)	Monophosphoryl Lipid A (MPL)	Virus-Like Particles (VLP)
MATA (Pollinex)	✓			✓		
MATA MPL (Pollinex Quattro)	✓			✓	✓	
Sublingual		✓				
Mite SCIT	✓			✓		
Mite SCIT + MPL	✓			✓	✓	
Venom SCIT		✓				
Peanut*			✓	✓		✓

* - Product under pre-clinical investigation, full product profile yet to be determined

Pooled data from PQ Birch Phase II trials (B203 and B204) showing efficacy difference between each dose and placebo (PPS)

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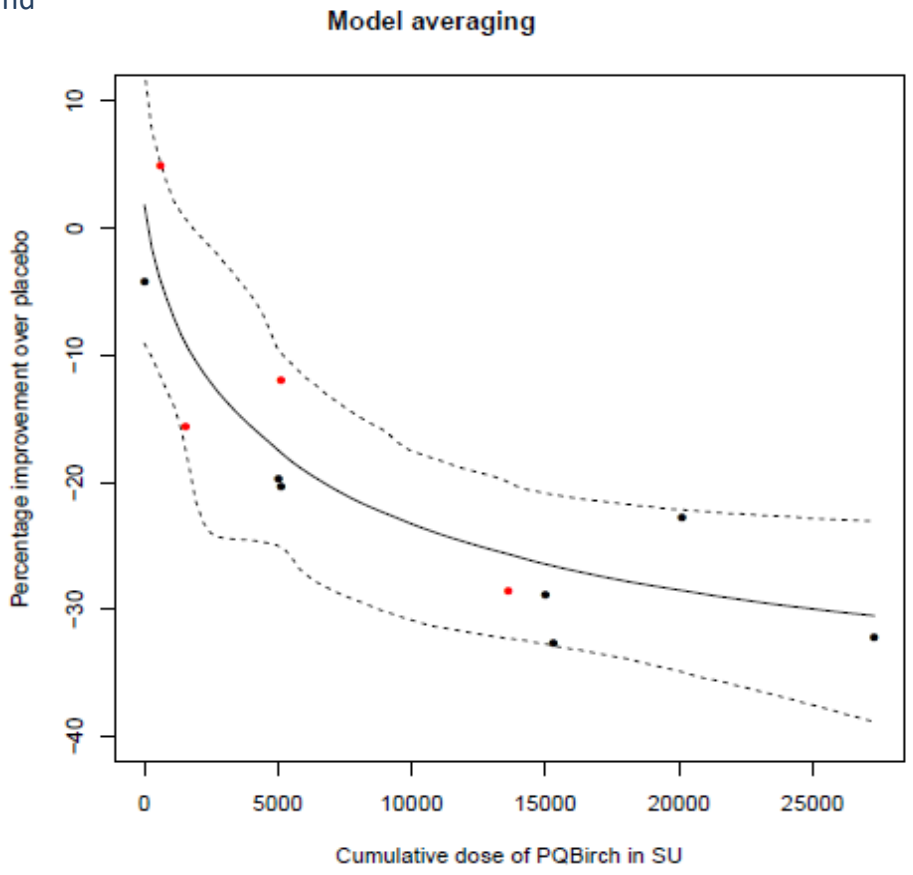
Red PQB203 and black PQB204



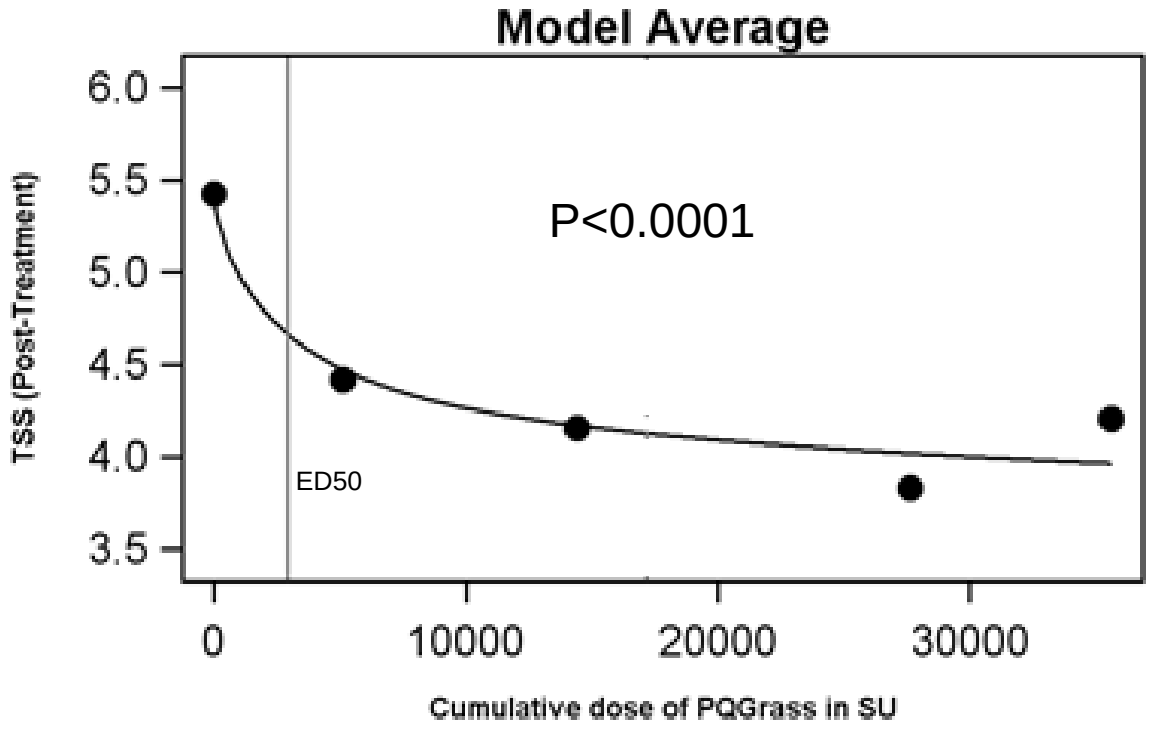
The reduction of symptoms with each dose relative to placebo

5100 SU: -20.88%
15300 SU: -28.33%
20100 SU: -30.21%
27300 SU: -32.33%

- B203 completed in 2014 and B204 in 2016
- Data shows increasing efficacy with increased dosing

Grass Phase II Dosing Study :Primary Efficacy Analysis:

Model Averaging (mFAS)



The reduction of symptoms with each dose relative to placebo

Treatment Group Estimated* mean post–treatment TSS relative to Placebo

*Estimates from the model (curve fitting), not the descriptive point estimates
ED50: The minimum dose that achieves 50% of the full effect size over Placebo

Unique depot Microcrystalline tyrosine (MCT) provides aluminium alternative as well as adjuvant properties

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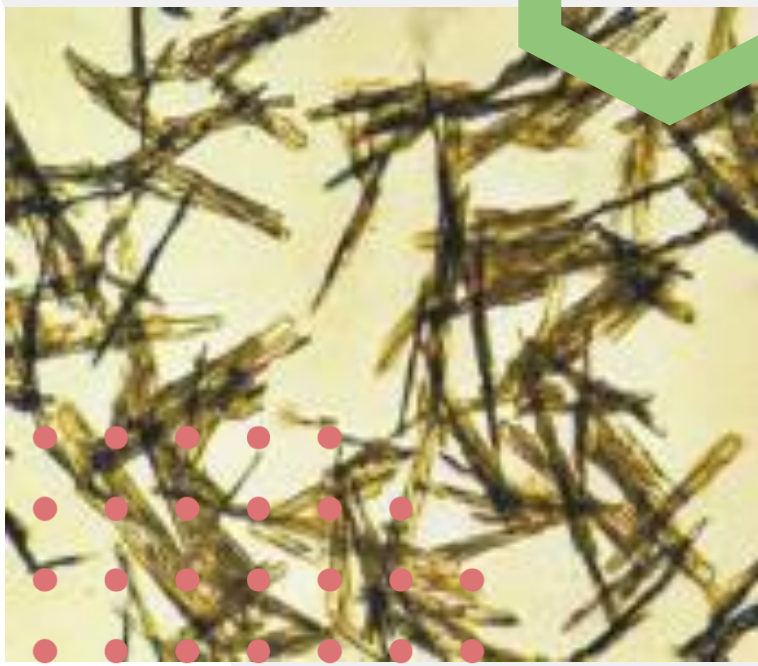
Patent protection for MCT

Processing patent covers MCT

MCT particles are formulated as sterile in state of the art processes enabling defined particle morphology and size optimised for binding to wide variety of antigens.

MCT Process patent extended-UK (2032)/EU filing 2032



R&D update Allergy / Non – Allergy indications

Within the last 12 months, studies have been completed supporting MCT use as a depot immunomodulator in each application:

Key publication in The Journal of Inorganic Biochemistry provides insight to the role of the (MCT) for use in existing and future therapeutic development incl. synergies with MCT and MPL in our Pollinex Quattro brand

Immunomodulation of MCT in allergy (publication pending 2016) – University of Zurich

MCT improves efficacy in non-allergy models (Influenza, Malaria) – Public Health England, University of Oxford (Jenner Institute), respectively. (publication in preparation)

MCT to enhance immunogenicity of different vaccines – for malaria study

Portfolio of products offer a strategic advantage to capture US opportunity

Grass

Ragweed

Trees

Mites

Peanut

- Proprietary, IP protected technology
- De-risked opportunity
  - Treated more than 250,000 patients and marketed in 7 countries (pollen)
- First mover advantage
  - First to market in the seasonal injected segment
  - High entry barriers: regulatory requirements for extensive trials on efficacy and safety
- Strategic fit for US market
- Building on Progress to date in the US:
  - $100m invested in clinical studies to date
  - 15 clinical trials completed to date, including Phase I, II & III successful studies
  - Investigated in over 3,000 patients worldwide, mainly in the US

P&L – six months ended 31 December 2017

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£12.3m

Operating profit pre R&D

(H1 2017: £11.1m) due to investment, leveraging solid sales

Up

Overheads up

due to FX and investment

Solid

sales performance

in abnormally weak pollen season

	H1 2018 £'m	H1 2017 £'m	Variance £'m	%
Revenue	42.2	40.4	1.8	4%
Gross profit	33.5	31.5	2.0	6%
Overheads	(21.4)	(20.5)	(0.9)	(4%)
R&D	(5.9)	(3.8)	(2.1)	
Other Income	0.2		0.2	
Operating profit	6.4	7.2	(0.8)	
Net Financing costs	(0.0)	(0.0)	0.0	
Tax	(0.4)	(0.4)	(0.0)	
Profit after tax	6.0	6.8	(0.8)	

Balance sheet at 31 December 2017

Allergy Therapeutics PLC

£25.8m

Cash position

£3.2m

Debt. Seasonal overdraft in place (undrawn)

Increase

Increase in non-current assets driven by increase in pension investments

Other liabilities increase due to R&D creditors

Higher

Inventory higher due to preparation for clinical trial material

	H1 2018 £'m	H1 2017 £'m	Variance £'m
Non-current assets			
Property, plant and equipment	9.8	9.7	0.1
Intangible assets	5.1	5.4	(0.3)
Investments	4.9	4.3	0.6
	19.8	19.4	0.4
Current Assets			
Trade and other receivables	10.9	10.7	0.2
Inventories	8.4	7.0	1.4
Cash	25.8	27.8	(2.0)
Liabilities			
Financing liabilities	(3.2)	(3.4)	0.2
Other liabilities	(25.8)	(23.0)	(2.8)
Net assets	35.9	38.5	(2.6)
Equity			
Share capital and share premium	103.0	103.0	0.0
P&L account and other reserves	(67.1)	(64.5)	(2.6)
	35.9	38.5	(2.6)