

20 years of growth and innovation

**Interim Results presentation and global webcast
for the six months ending 31 December 2018**

6 March 2019

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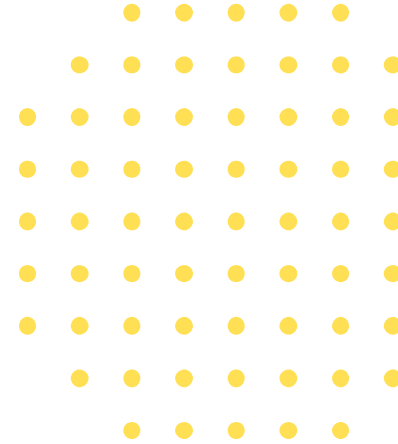
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Agenda

- **Our business today**
- **H1 2019 highlights**
- **Commercial overview & preparing for the US**
- **Pipeline**
- **Financial results**
- **Summary and outlook**



Three pillars to growth: advancing a leading allergy immunotherapy company



01

Expanding in Europe

Strongly performing profitable business

Growing market share and additional product registrations



02

Strong pipeline

New technologies underpin pipeline breadth and depth

Investment strategy supported by growing revenue stream



03

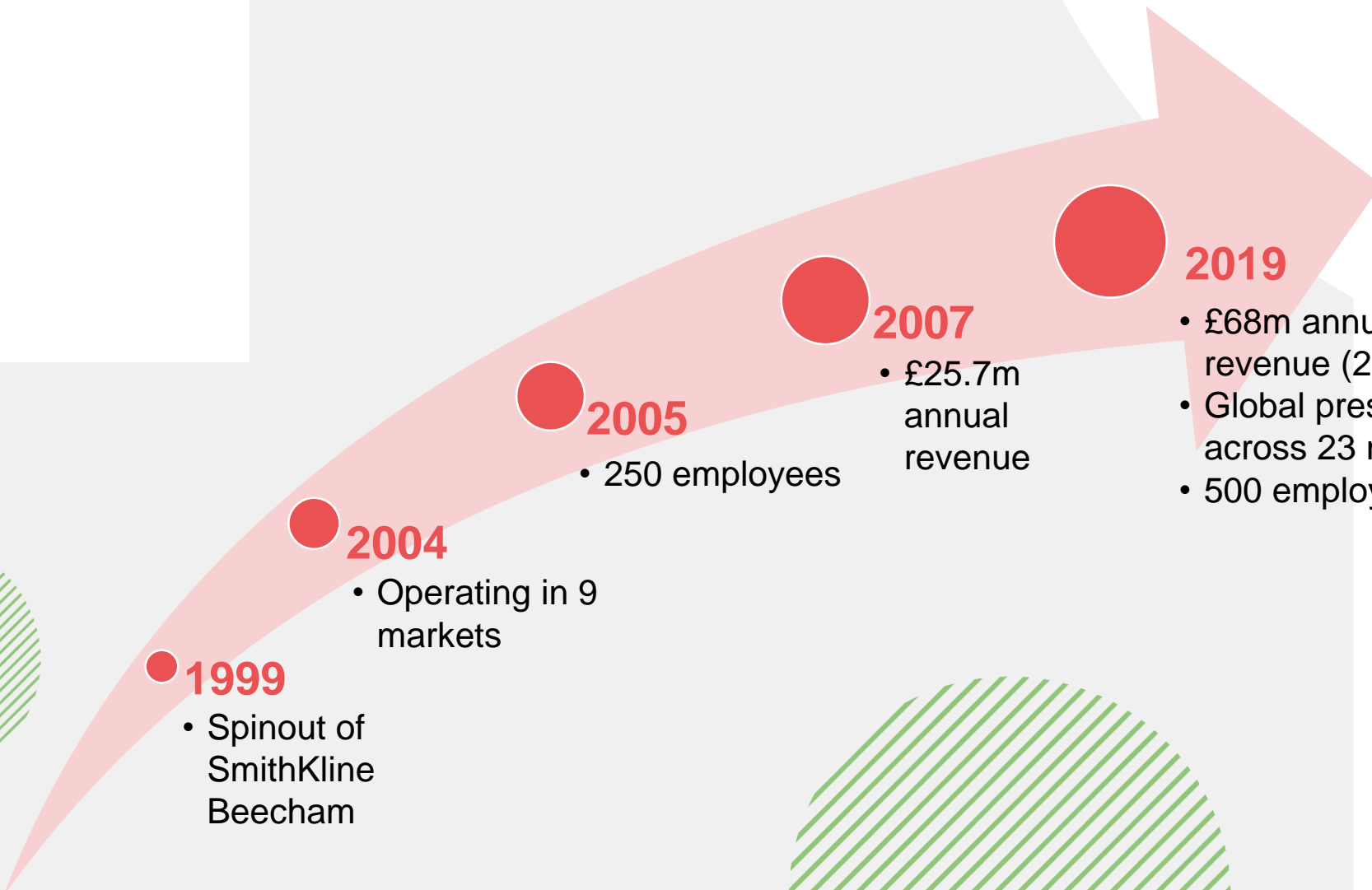
Preparing for US entry

Significant opportunity in largest allergy market

Changing regulatory and reimbursement environment to drive market share towards Allergy's products



Celebrating 20 years of growth and innovation

- 
- A large, light red arrow graphic pointing from the bottom left towards the top right, representing the timeline of growth. It contains four red circular markers of increasing size, each corresponding to a year and a list of key milestones.
- **1999**
 - Spinout of SmithKline Beecham

- **2004**
 - Operating in 9 markets

- **2005**
 - 250 employees

- **2007**
 - £25.7m annual revenue

- **2019**
 - £68m annual revenue (2018)
 - Global presence across 23 markets
 - 500 employees

H1 2019 highlights

PQ Grass

Phase III

Progression in US in H2 2019

PQ Birch

PH III data readout in Q1 2019

10.6% increase in revenue to **£46.7m** (H1 2018 £42.2m)

One point market share gain in Germany over 12 months to December 2018

27% increase in operating profit pre R&D*

Cash balance of **£31.6m** (H1 2018 £25.8m)

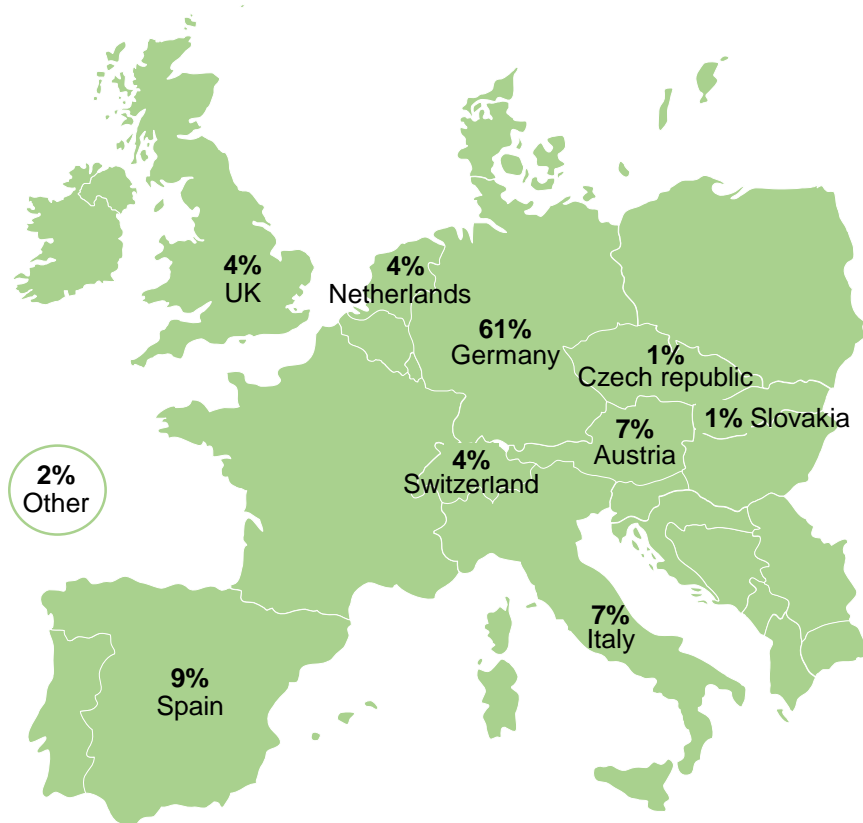
Oversubscribed fundraising of **£10.6m** gross

*Operating Profit (pre R&D) is calculated by adding back R&D expenditure for the year to the operating loss of the year to arrive at operating profit (pre R&D) of £15.7m (H1 2018: £12.3m)

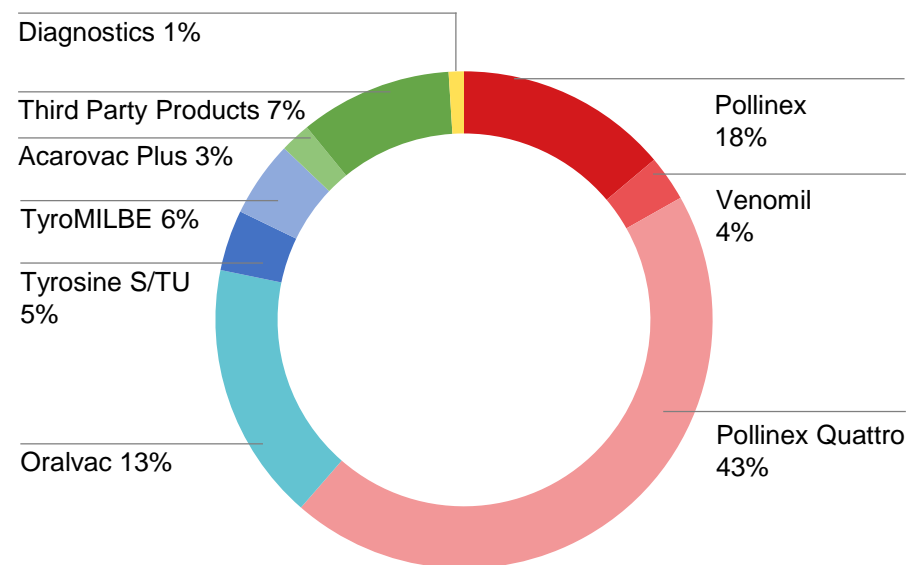
N.B. All financial dates refer to the financial year. All clinical dates refer to the calendar year.

Sales breakdown for full year 2018

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, rebates and exchange) : £66.0 million.

After deducting rebates, freight charges and foreign exchange adjustments, total sales for FY2018 is £68.3 million

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

European business shows robust revenue stream

Strong sales growth of 10.6% in H1 2019, increased market share by 1 point* in Germany driven by:

Innovative, convenient and patient-friendly (short-course) products

Increased regulatory requirements to ATL advantage (TAV)

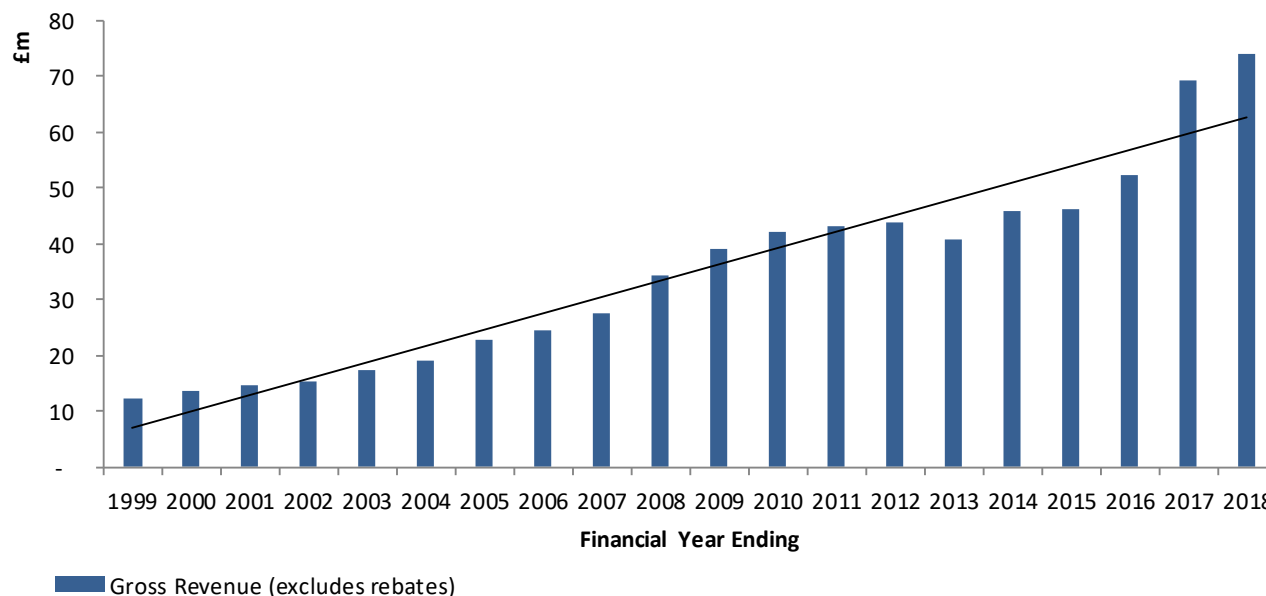
Focused investment across business reflected in performance

Strength of broad portfolio with modified Mite and Venom SCIT

Best in class commercial and sales teams

10% CAGR growth over last 19 years

*Market data and internal estimates for the year to 31 December 2018, of Allergy Therapeutics direct sales in Germany



Preparing for US entry

● **>100 injections**

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

● **\$2bn**

estimated allergy immunotherapy market**

● **2-3m**

Americans receive allergy immunotherapy***

● **16%**

Some adherence levels as low as 16%*

● **\$300-400m**

Estimated peak gross sales**

● **Currently no registered injected products**

Capturing the opportunity

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

Building on progress to date
















- \$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

*Hankin CS, Cox L, Lang D et al 2007 JACI

** Internal estimate

*** Professor Lawrence DuBuske MD

Innovative, broad pipeline and marketed products

	Pre-clinical	Phase I	Phase II	Phase III	Market/Registered	Also available as a Named Patient Product	
Grass MATA		Short-course SCIT					
Tree MATA		Short-course SCIT					
Ragweed MATA		Short-course SCIT					
Bee Venom SCIT		Short-course SCIT					
Wasp Venom SCIT		Short-course SCIT					
Grass MATA MPL	 	Short-course Grass SCIT with MPL					
Birch MATA MPL		Short-course Birch SCIT with MPL					
Ragweed MATA MPL		Short-course Ragweed SCIT with MPL					
Trees MATA MPL		Short-course Tree SCIT with MPL					
Oral Grass, Trees & House Dust Mite	Sublingual immunotherapy with flexible-dosing						
Modified Mite Platform	Short-course modified Allergen HDM SCIT + MPL						
Peanut SCIT	Short-course Peanut SCIT						



Financial Results

P&L – six months ended 31 December 2018

+10.6%

Strong sales performance
in mixed pollen season (underlying figures)

+£0.2m

Overheads up
due to phasing and cost
control

£10.7m

Operating profit pre R&D
(2018: £6.4m) due to investment,
leveraging solid sales

	H1 2019 £'m	H1 2018 £'m	Variance £'m	%
Revenue	46.7	42.2	4.5	10.6%
Gross profit	37.3	33.5	3.8	11.3%
Overheads	(21.6)	(21.4)	(0.2)	0.9%
R&D	(5.0)	(5.9)	0.9	
Other Income	0.0	0.2	(0.2)	
Operating profit	10.7	6.4	4.3	
Net Financing costs	(0.0)	(0.0)	0.0	
Tax	(0.4)	(0.4)	0.0	
Profit after tax	10.3	6.0	4.3	

Sales – six months ended 31 December 2018

		H1 2019 £'m	H1 2018 £'m	Variance £'m	%
Strong sales growth driven by good performance in Northern Europe	Gross Revenue at Constant Exchange Rate	49.1	46.3	2.8	6.0%
Growth in ultra short course products as well as venom and SCIT mite	Rebate at Constant Exchange Rate	(2.4)	(4.1)	1.7	
	Net Revenue at Constant Exchange Rate	46.7	42.2	4.5	10.6%
Most markets performing robustly	Effect of Foreign Exchange	0.0		0.0	
	Net Revenue	46.7	42.2	4.5	10.6%
No FX impact in this period as very small difference between rates	*Constant exchange rate Euro/£	1.12			
	Current exchange rate Euro/£	1.12	1.12		

* 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.

Balance sheet at 31 December 2018

+8%

Inventory higher due to
preparation for Brexit
(underlying numbers)

£31.6m

Cash at 31 Dec 2018

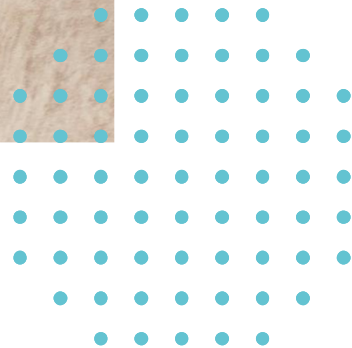
£2.8m

Debt. Seasonal overdraft
in place (undrawn)

	2019 £'m	2018 £'m	Variance £'m
Non-current assets			
Property , plant and equipment	10.0	9.8	0.2
Intangible assets	4.9	5.1	(0.2)
Investments	5.4	4.9	0.5
	20.3	19.8	0.5
Current assets			
Inventories	9.0	8.4	0.6
Trade and other receivables	10.3	10.9	(0.6)
Cash	31.6	25.8	5.8
Liabilities			
Financial Liabilities	(2.8)	(3.2)	0.4
Other Liabilities	(23.9)	(25.8)	1.9
Net Assets	44.5	35.9	8.6
Equity			
Share capital and share premium	113.2	103.0	10.2
P&L account and other reserves	(68.7)	(67.1)	(1.6)
Total Equity	44.5	35.9	8.6

Cashflow for the six months ended 31 December 2018

	H1 2019		H1 2018	
	£'m	£'m	£'m	£'m
Opening cash balance 1 st July		15.5		22.1
Positive net cash generated by strong sales, cost phasing and control				
	10.7		6.4	
	(3.9)		(2.1)	
Net cash (used)/generated by operations		6.8		4.3
Tax received/paid		0.3		0.7
Interest paid		(0.1)		(0.1)
Successful equity raised in July 2018 of £10.2m net	0.1		0.1	
	(0.2)		(0.2)	
	(0.7)		(1.0)	
Net cash used in investing activities		(0.8)		(1.1)
Proceeds from issue of shares	10.2		0.0	
Net movement in borrowings	(0.4)		(0.1)	
Net cash generated in financing activities		9.8		(0.1)
Effects of exchange rates on cash		0.1		0.0
Closing Cash Balance 31 December		31.6		25.8



Summary and outlook



Newsflow 2019



**Acarovac MPL
Phase I** – results
for dust mite
technology

**PQ Grass MATA
MPL Phase III** –
study start

Q1 2019

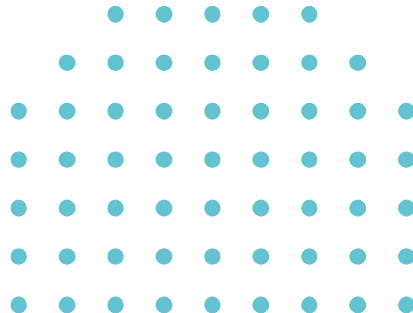
Q2 2019

H2 2019

PQ Birch Phase III –
data readout

**Oralvac Dust Mite
sublingual phase II**
– study start

Polyvac Peanut – first
in-human Phase I study
planned



2019 set to be a pivotal year

Delivering against
our strategy:
three pillars to
growth

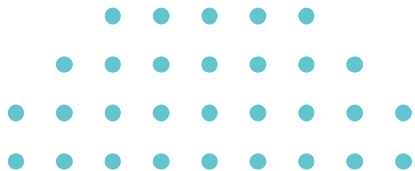
Consistent sales
growth
outperforming the
market

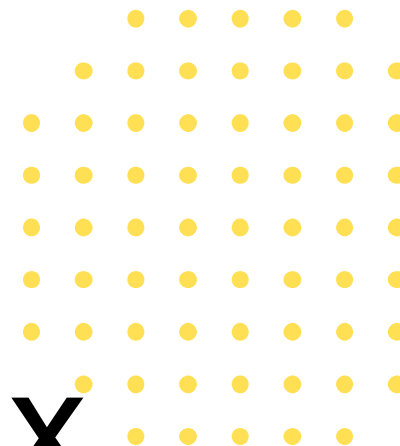
Start of pivotal
Phase III PQ Grass
trial

Near-term value
inflection points

Groundwork to
capture the US
market opportunity

Continued gain in
market share

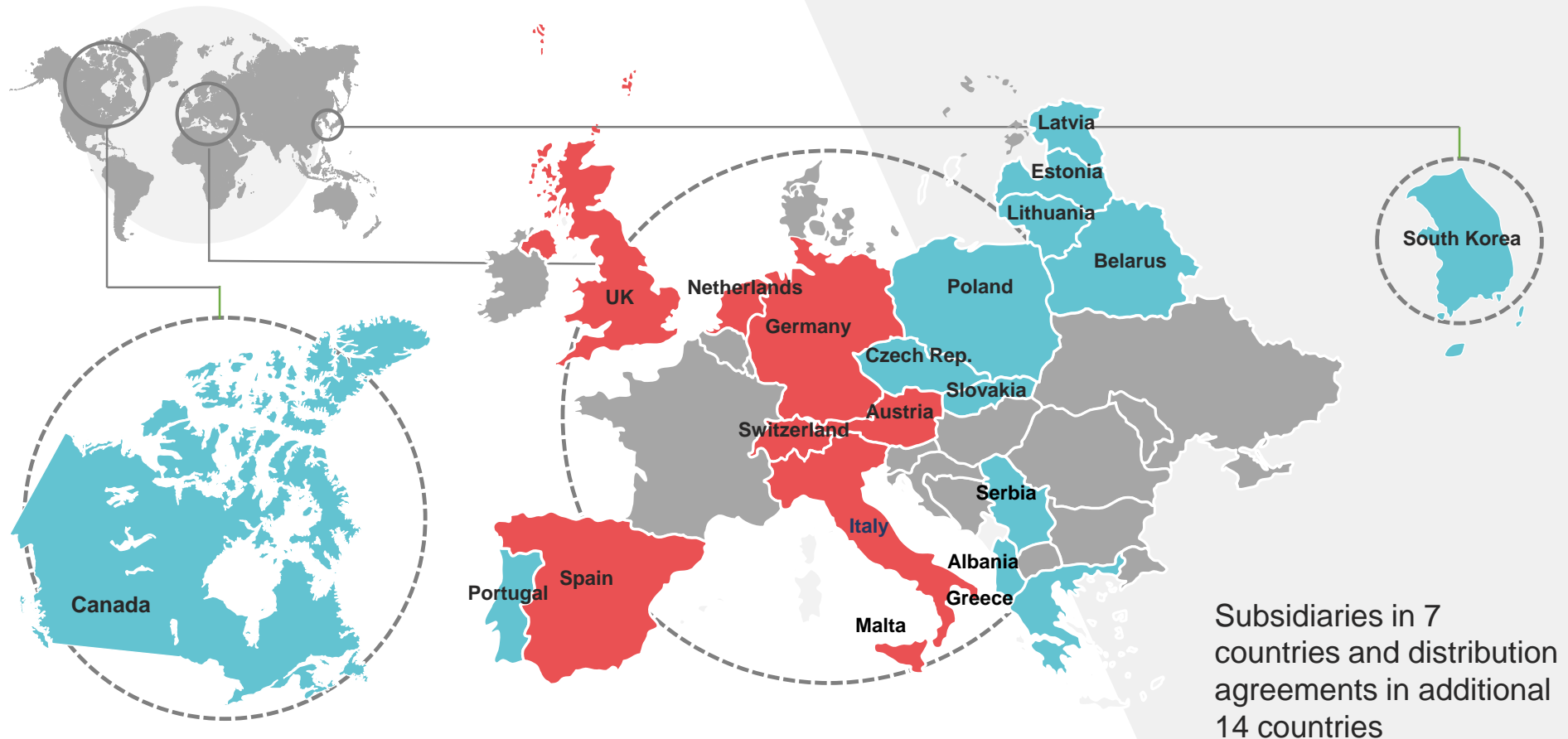




Appendix

Solid sales and global presence

Sales and marketing network comprising c.140 European sales force



Cutting-edge platform technologies

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

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

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

