Allergy Therapeutics PLC

Delivering on our strategy

Preliminary Results for the year end 30 June 2020

Manuel Llobet, Chief Executive Officer
Nick Wykeman, Chief Financial Officer
Alan Bullimore, Head of Communications and Market Development

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Agenda

Allergy Therapeutics PLC

- **2020 financial and operational highlights**
- **Our business and strategy**
- **Financial results**
- **Summary and outlook**

2020 financial and operational highlights

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Expanding pipeline

VLP technology

Oncology and immune conditions

Grass MATA MPL

Exploratory Field Trial

Starting in Germany and US in H2 2020

Strengthening portfolio

ImmunoBON

Initial launch expected in Spring 2021

7% constant increase in **revenue** to **£78.2m** *(2019 £73.7m)*

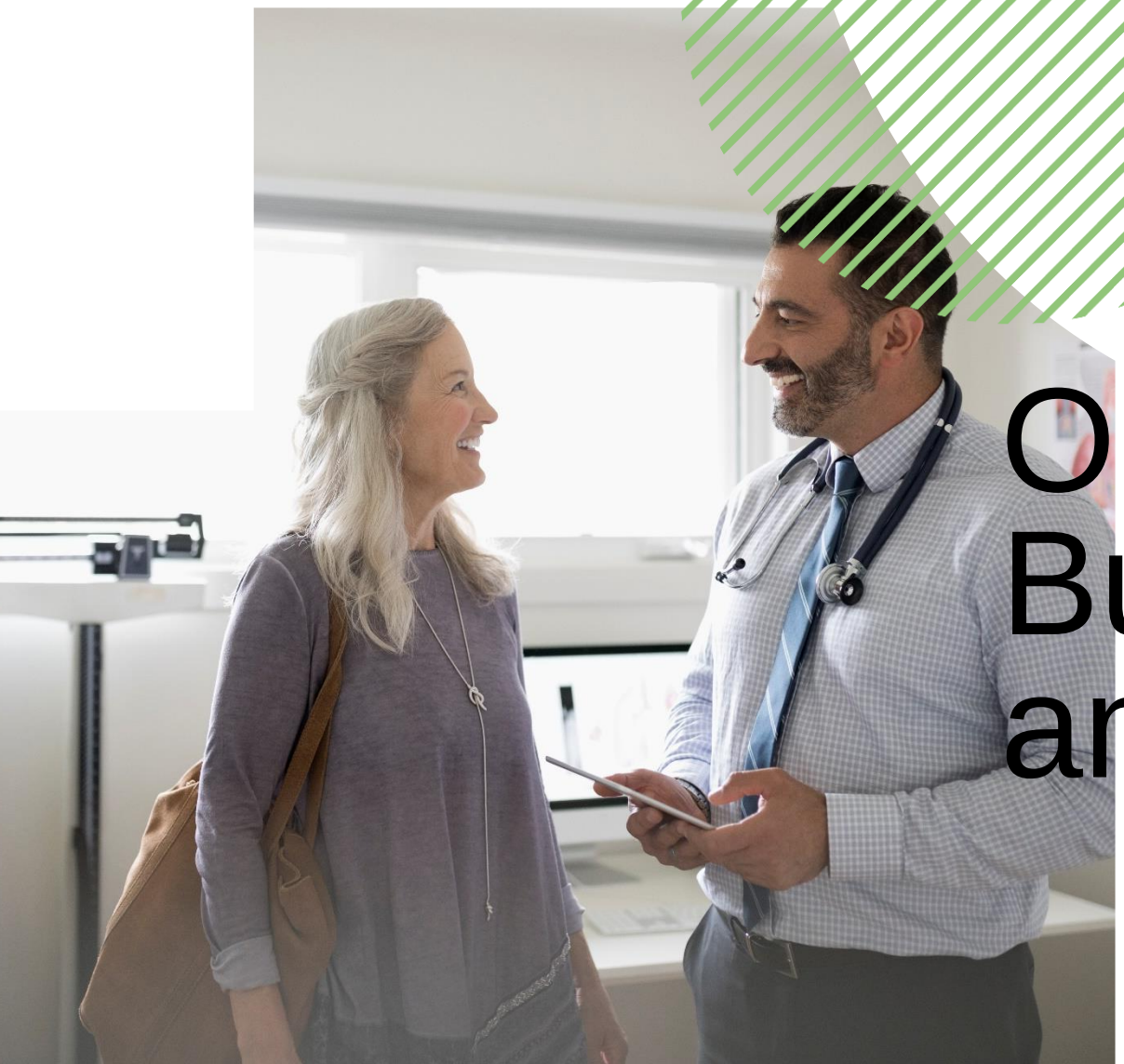
Operating profit pre R&D up **25%**

Increase in net profit of **104% to £7.1m** *(2019: £3.5m)*

One–off legal expenses claim of **£3.2m** settled

Cash balance of **£37.0m** *(2019: £27.4m)*

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



Our Business and Strategy

Three Pillars to Growth: Advancing a Leading Allergy Immunotherapy Company

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01

Expanding in Europe

Strongly performing profitable business

Growing market share and additional product registrations

Drive market position via world class supply chain and increased patient adherence

02

Strong pipeline

New technologies underpin pipeline breadth and depth

Investment strategy supported by growing revenue stream

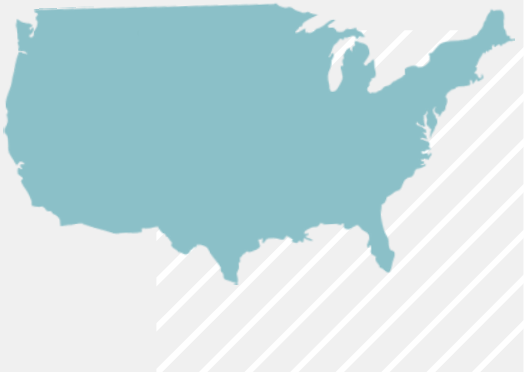
03

Preparing for US entry

Significant opportunity in largest allergy market

Develop market access approach and relationships

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



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01 Expanding in Europe

European Business – 2020 Full Year Results

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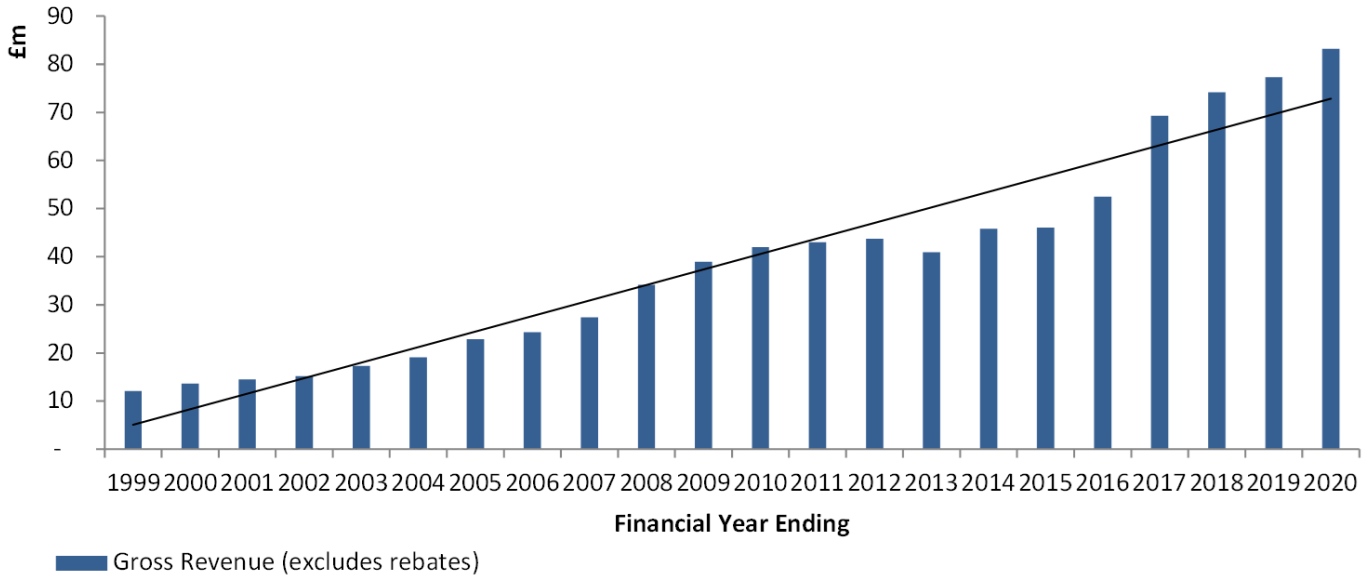
Solid sales growth of 7% at constant rates in 2020

- Good growth tempered by impact of COVID, especially in Southern Europe
- Rapid response to COVID with support for doctors and nurses
- Focused cost efficiencies while investing in future
- Continued strong performance of supply chain
- Further strengthening of broad portfolio and capabilities with ImmunoBON and Immunolab in Alcala

9% CAGR growth over last 22 years since formation



Strengthening a Broad Portfolio

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immunoBON®

to treat and prevent allergies by mimicking the “farm effect”.

What is new:	**immunoBON®** is a whey protein based food supplement with iron, zinc & vitamin A
Health Claim:	Vitamin A and zinc for the normal function of the immune system
Patented for:	EP (7.1.2015, PCT 13.1.2015), US, WO
Selling Rights ATL:	Worldwide, exclusive
Intake Recommendation:	Adults: 2 lozenges a day for at least 3 months Children (>3 years): 1 lozenge a day for at least 3 months
Initial launch plans	Launch planned in Germany and Austria in Spring 2021 with further countries to follow

Science of immunoBON®

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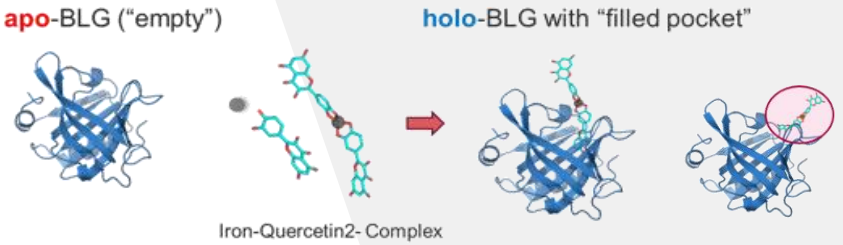
What we already know:

- **"raw milk-effect"**:
  raw milk protects from allergies
- **"farm-effect"** based on **"Hygiene hypothesis":**
  living close to traditional cattle farms protects from allergies

What is new:

- **Lipocalins,** that are found in raw milk and farm dust, are proteins that can protect from allergy.
- **ß-lactoglobulin (BLG)** in its holo-form binds iron.
  - Holo-BLG:
    - immune response ↓
    - allergies ↓

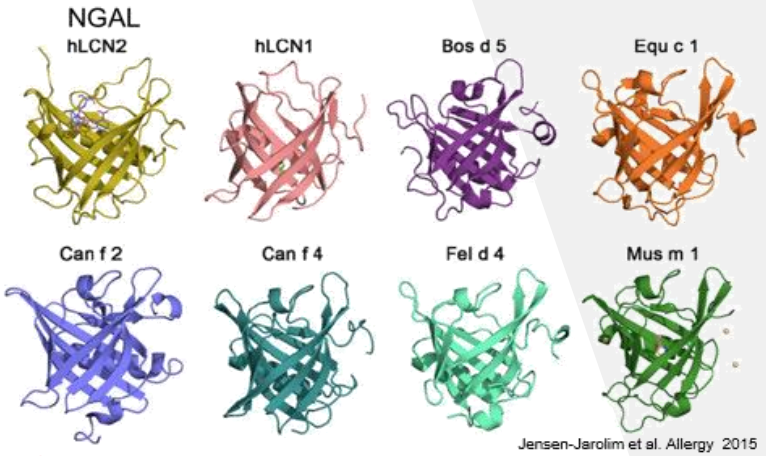


Most important cow milk
Allergen
"inflammation"

Main component of
immunoBON®
"immune protective / tolerance"

Roth-Walter F., et al. Metallomics. 2017; 9(12):1676-1692
Roth-Walter et al, PLOS one, 2014

Lipocalin (-like) proteins with similar structure:



Jensen-Jarolim et al. Allergy 2015

unspecific mechanism of holo-BLG
broad application (different allergies)

immunoBON® clinical studies

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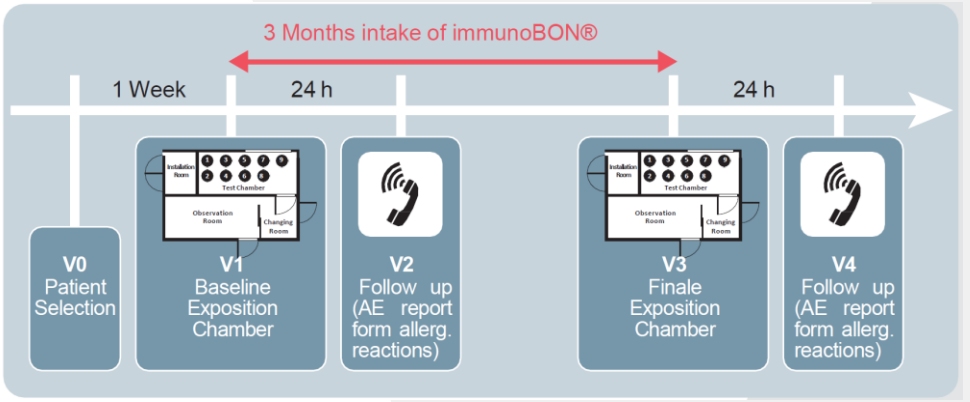
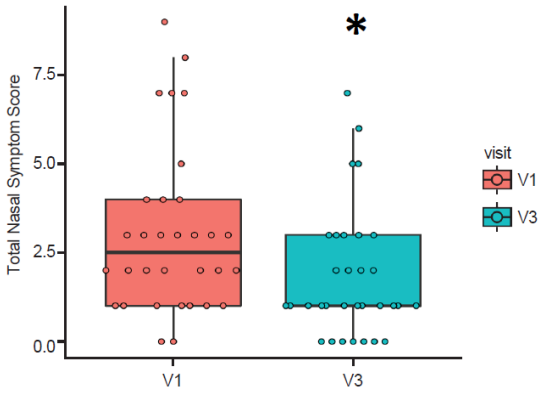
Study overview:

We assessed the effect of a new dietary supplement (immunoBON®) containing whey proteins such as BLG, iron, retinoic acid, zinc and polyphenols on participants suffering from house dust mite (HDM) induced allergic rhinoconjunctivitis.

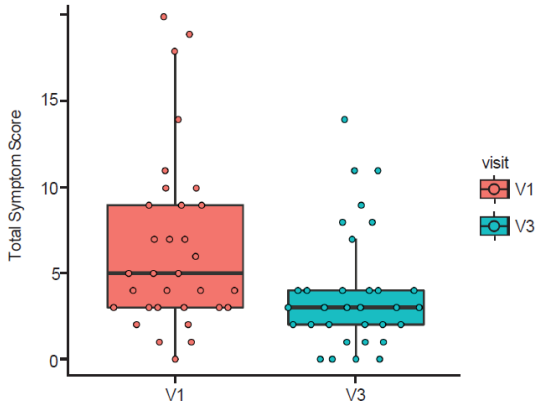
Study Design:



Results:



TNSS



TSS

The primary endpoint (total nasal symptom score "TNSS") revealed significant improvement after intake of immunoBON®.

The Median TNSS was decreased by 60% (*p*=0.0034) and the Median Total Symptom Score "TSS" by 40% (*p*=0.0026)

This is the first evaluation of a novel immune modulating dietary supplement (immunoBON®) in a highly standardized allergen exposure chamber (AEC) setting, demonstrating beneficial effects especially on nasal, ocular and bronchial symptoms in HDM allergic patients. After an intake period of only 3 months the primary endpoint defined as the change in Median Total Nasal Symptom Score (TNSS) after 120 minutes of HDM exposure in the AEC was significantly reduced by 60%.

Bergmann K.C. et al., Impact of a novel immune-modulating dietary supplement on house dust mite induced allergic rhinoconjunctivitis - first evaluation in an allergen exposure chamber. ePoster-Nummer **P7.10** - Deutscher Allergiekongress 2020 in Wiesbaden

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02 Strong Pipeline

Innovative, Broad Pipeline and Marketed Products

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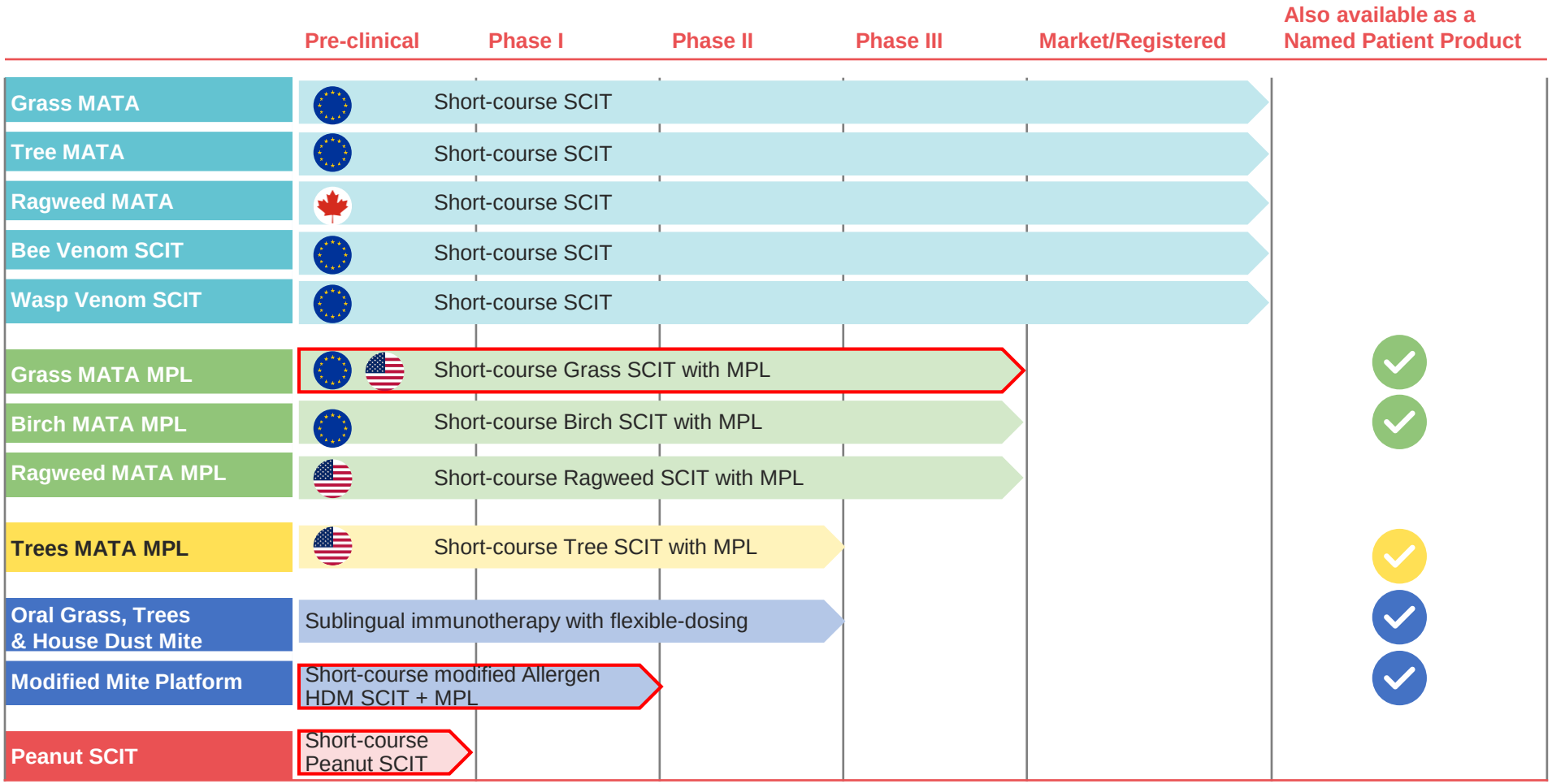

VLP candidates under proof-of-concept evaluation for uses outside allergy including cancer, asthma, psoriasis and atopic dermatitis

SCIT: Subcutaneous Immunotherapy
MATA: Modified Allergen Tyrosine Adsorbed

Grass MATA MPL

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Draft protocol agreed including dosing for exploratory filed trial (G309)

Successful end of Phase II meetings with PEI and FDA

Exploratory Grass field trial (G309) to start autumn of 2020

Product is one Phase III efficacy trial and completion of safety database away from filing in US

Grass Phase III efficacy trial (G306) to start H2 2022 to allow learnings from G309.

Key product for US introduction – Ragweed would be product to follow

Both Grass G309 and G306 fully funded

Ultra short-course product with huge potential in US market

Polyvac peanut product

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

Industrial scale-up progressing well with first in vitro human cell trial anticipated 2021

Data sharing contract signed with VLP partner which could significantly ease development of the peanut product through clinical trials

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

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

First in human trial planned to begin H2 2021. Initial trial fully funded

*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

Increased investment in VLP Technology

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- Exclusive licence agreements signed to use patented VLP technology platform to develop vaccines targeting oncology and immune conditions

- Leveraging known technologies - VLP, vaccines, immunology and adjuvant systems

- Plan to evaluate via initial pre-clinical evaluation. If successful, will explore future clinical development and potential partnering opportunities

Significant first step into wider Immunotherapy field

VLP Technology

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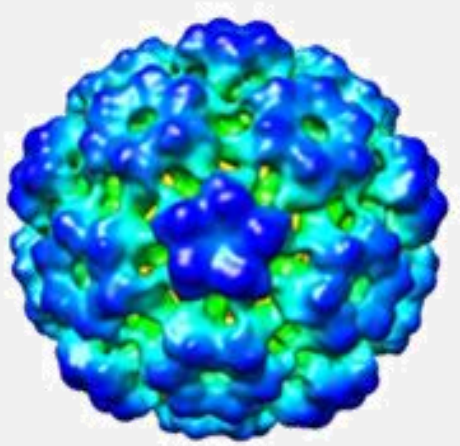
- VLPs - nanoparticles incorporating key immunological features of viruses without safety issues associated with whole virus vaccines.
- VLP based on plant virus-derived VLP with no toxicity reported. Engineered to incorporate an internally fused T-cell epitope derived from tetanus toxin to enhance ability to activate immune system.
- Cytokines are small proteins crucial to cell signalling in immune pathway for many diseases. VLP technology is a novel and disruptive approach to generating active vaccines against those cytokines.
- Current biologic approaches to knock out cytokines, (e.g. monoclonal antibodies), can have a transient effect requiring repeated injections of high doses. Potential with VLPs for lower doses with fewer administrations and lower costs for healthcare systems.



Potential for shorter treatment saving time and money

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03 Preparing for US entry

Preparing for US entry

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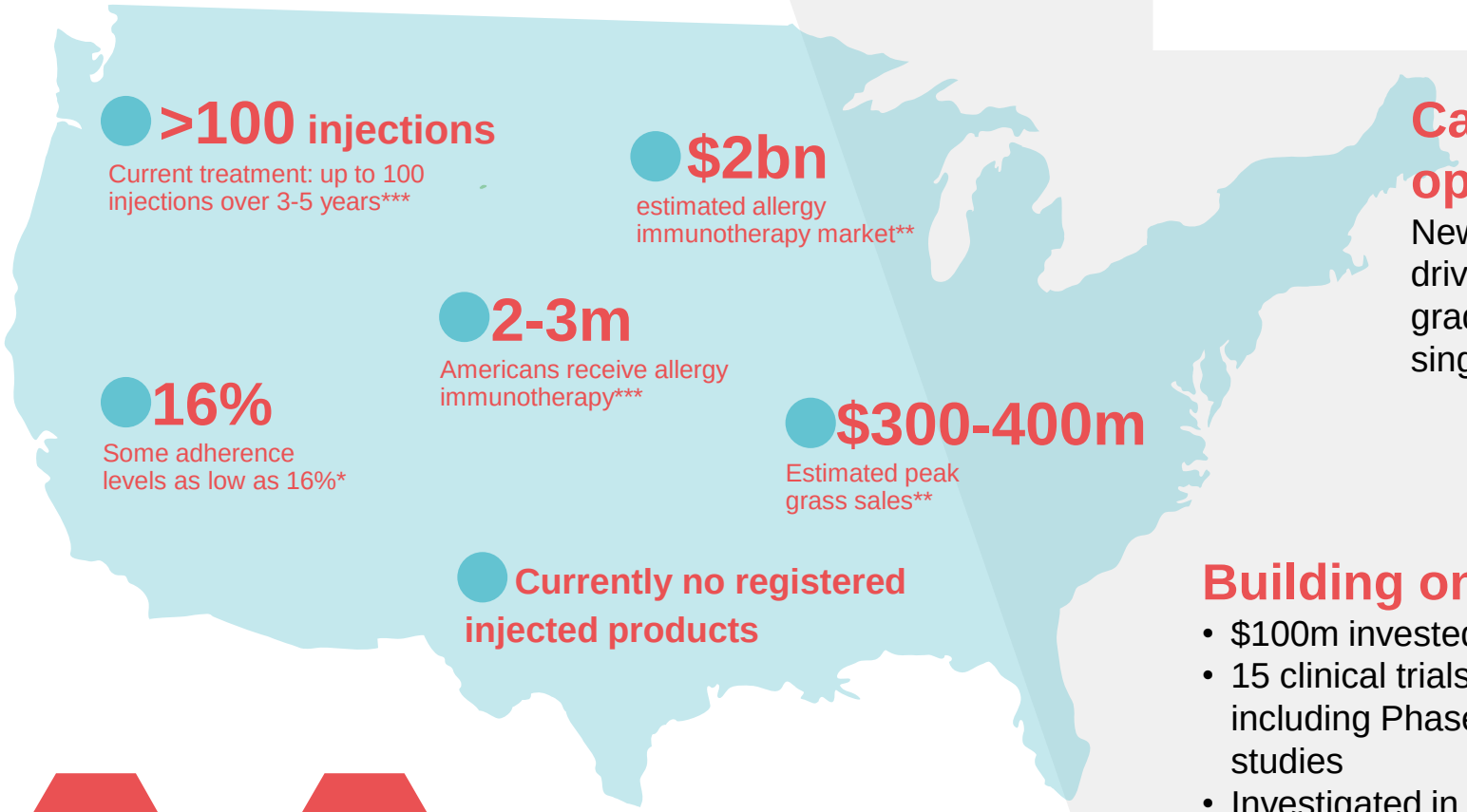

Capturing the opportunity

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

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Financial Results

P&L – year ended 30 June 2020

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+6%

Solid reported sales performance

£3.2m

One-off Legal Settlement Receipt

£14.2m

Operating profit pre R&D

(2019: £11.3m) due to investment, leveraging solid sales

	2020 £'m	2019 £'m	Variance % £'m	
Revenue	78.2	73.7	4.5	6%
Gross profit	58.0	55.3	2.7	5%
Overheads	(44.5)	(44.5)	0.1	0%
R&D - Expenditure	(9.0)	(13.0)	4.0	
- Settlement	3.2	6.0	(2.8)	
Other Income	0.6	0.6	0.0	
Operating profit	8.3	4.4	3.9	
Net Financing costs	(0.2)	(0.1)	(0.1)	
Tax	(1.0)	(0.8)	(0.2)	
Profit after tax	7.1	3.5	3.5	

Balance sheet at 30 June 2020

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£8.5m

IFRS 16 – IRFS 16 asset now on balance sheet

£9.8m

Increase in Financial Liabilities – Finance leases (£8.4m) plus loans (£1.4m)

£37.0m

Cash at year end 2020

£3.8m

Debt. Seasonal overdraft in place (undrawn)

	2020 £'m	2019 £'m	Variance £'m
Non-current assets			
Property , plant and equipment	11.9	11.5	0.4
Right of use assets	8.5		8.5
Intangible assets	4.7	4.8	(0.1)
Investments	5.9	5.6	0.3
	31.0	21.9	9.1
Current assets			
Inventories	10.1	9.4	0.7
Trade and other receivables	8.1	9.8	(1.7)
Cash	37.0	27.4	9.6
Liabilities			
Financial Liabilities	(12.2)	(2.4)	(9.8)
Other Liabilities	(30.2)	(28.5)	(1.7)
Net Assets	43.8	37.6	6.2
Equity			
Share capital and share premium	113.2	113.2	0.0
P&L account and other reserves	(69.4)	(75.6)	6.2
Total Equity	43.8	37.6	6.2

Cashflow for the year ended 30 June 2020

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Positive net cash pre R&D generated by growth in business and settlement of legal expenses

Interest paid now includes operating leases

Strong Cash position of £37.0 m driven by solid performance, efficiencies and settlement

	£'m	£'m	£'m	£'m
Opening cash balance 1st July		27.4		15.5
Profit before tax	8.1		4.3	
Adjustments re operations	5.3		1.4	
Net cash generated by operations		13.4		5.7
Tax received/paid		(0.9)		0.2
Interest paid		(0.4)		(0.2)
Interest received	0.3		0.1	
Investments and acquisitions	(0.5)		(0.4)	
Capital expenditure	(2.3)		(3.1)	
Net cash used in investing activities		(2.5)		(3.4)
Proceeds of equity raise			10.2	
Net movement in borrowings	(0.1)		(0.6)	
Net cash generated/(used) in financing activities		(0.1)		9.6
Effects of exchange rates on cash		0.1		0.0
Closing Cash Balance 30 June		37.0		27.4

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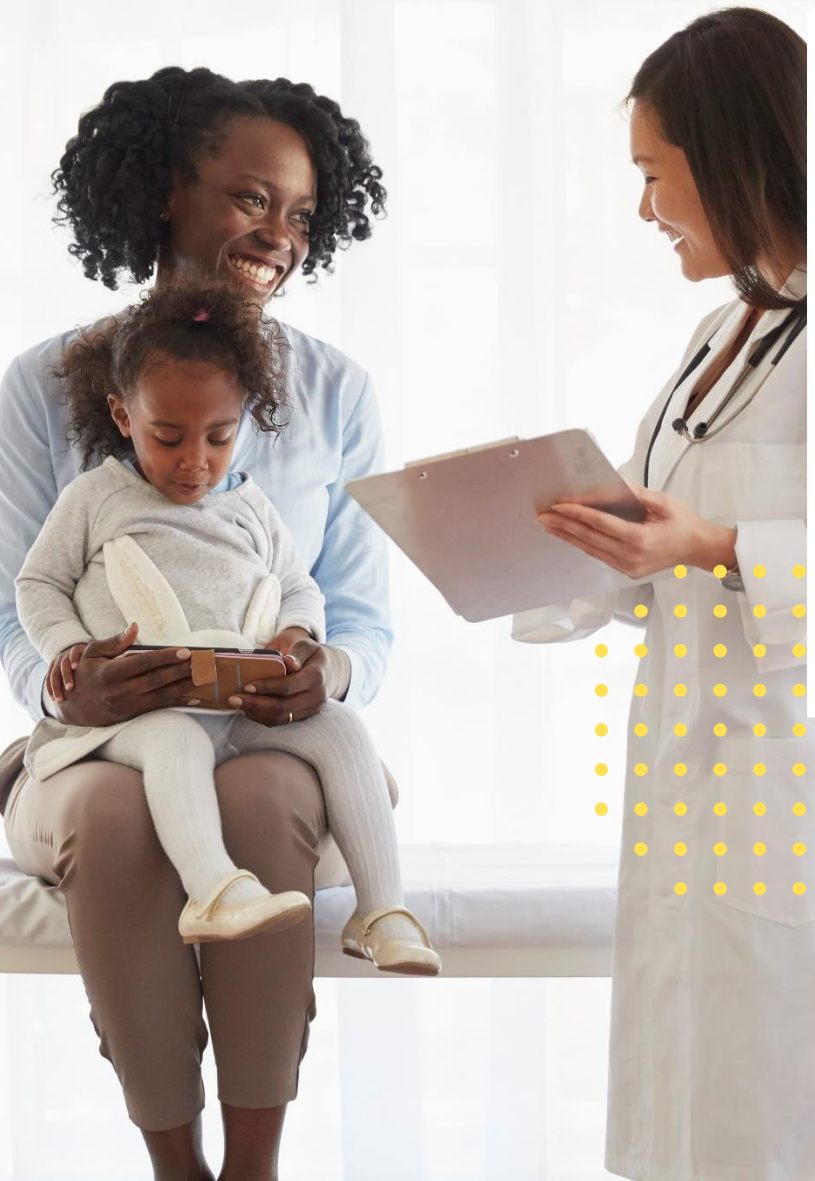


Summary and outlook

2021 set to be an important year

Delivering against our strategy: three pillars to growth

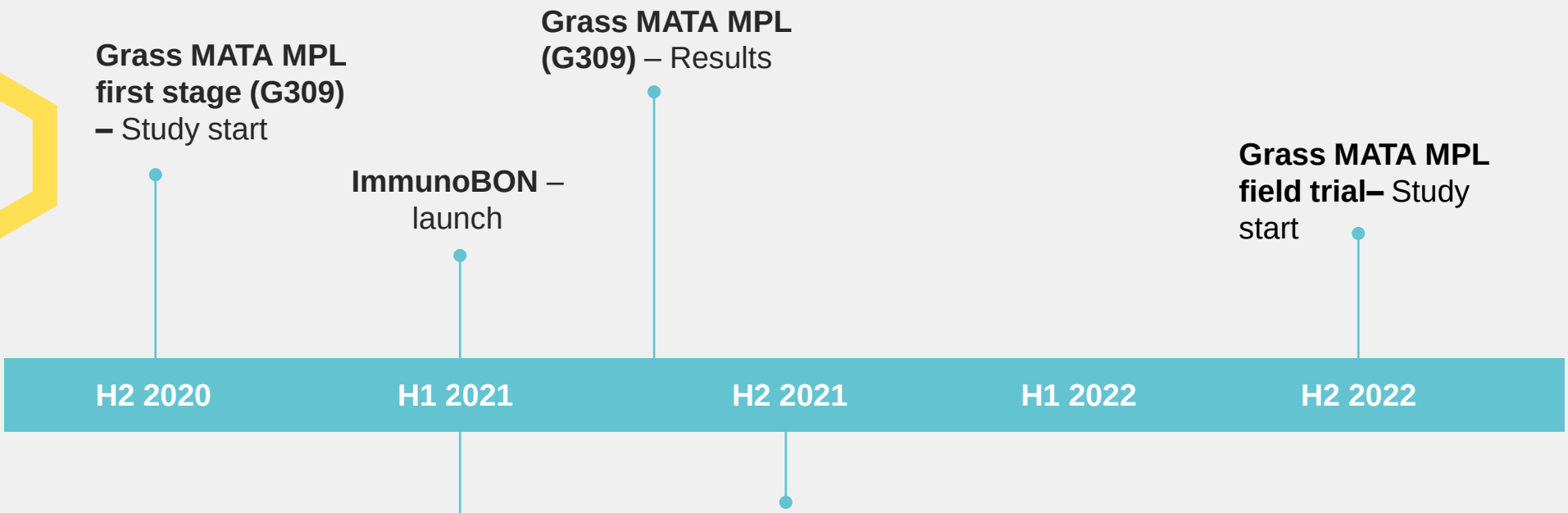
Drive further growth in sales including launch of **ImmunoBON**

Progression of clinical **trial for Grass MATA MPL** for European and US market

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

First in human cell VLP peanut study in 2021 and **in-human trial H2 2021**

Key milestones



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Q&A

Appendix

Allergy Therapeutics

Allergy Therapeutics PLC

Leading, fully integrated biopharmaceutical company based in the UK

Provide treatments that have potential to cure disease, not just symptoms. Focus on moderate to severe patients

PQ® Platform enabling ultra-short course treatment for grass, tree and ragweed allergies

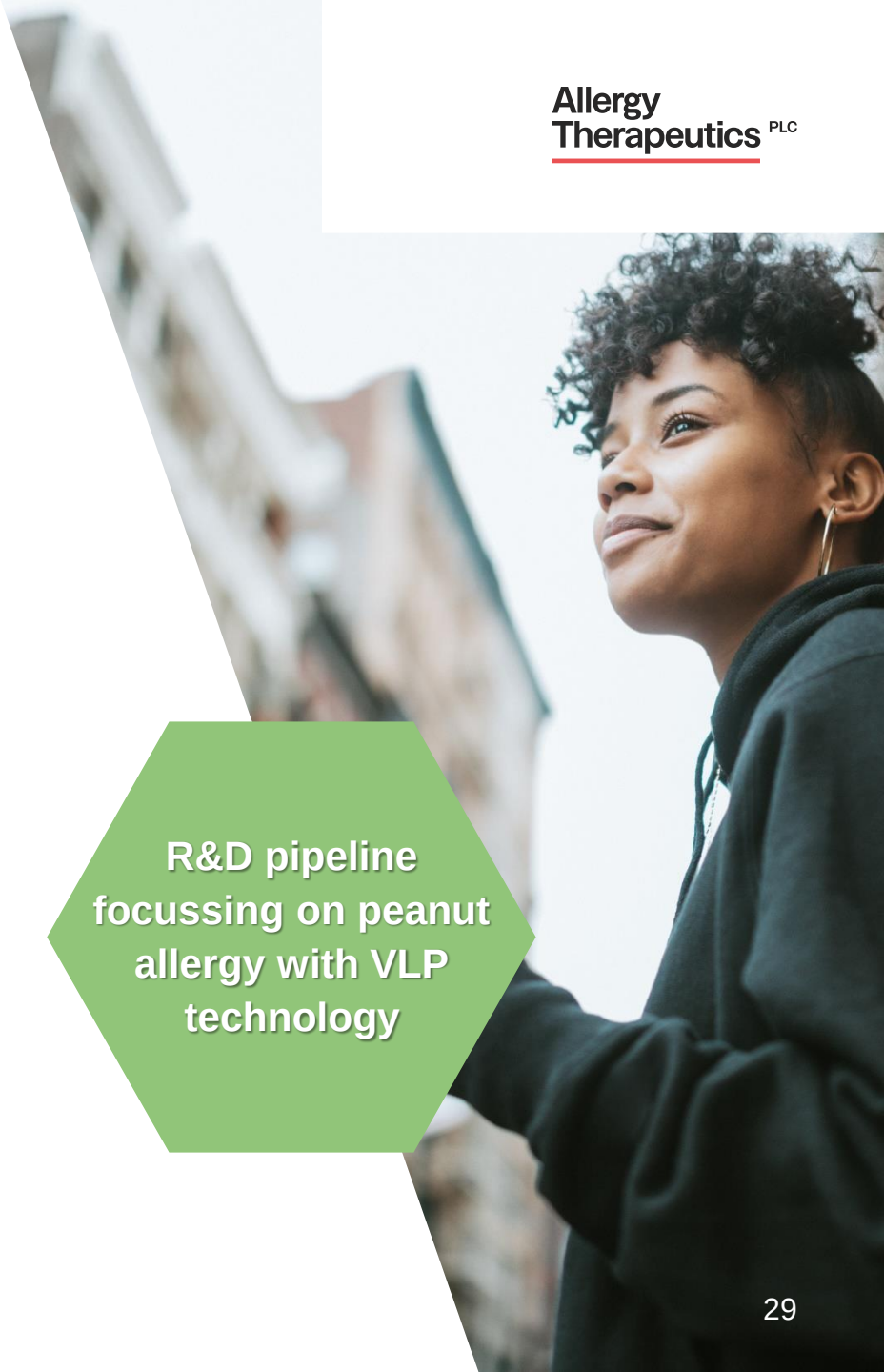
Headquartered in Worthing, Sussex with about 600 employees

9% compound annual revenue growth achieved over the last 22 years

Leading provider of subcutaneous aluminium-free allergy vaccines

Spun out of Smith Kline Beecham in 1999

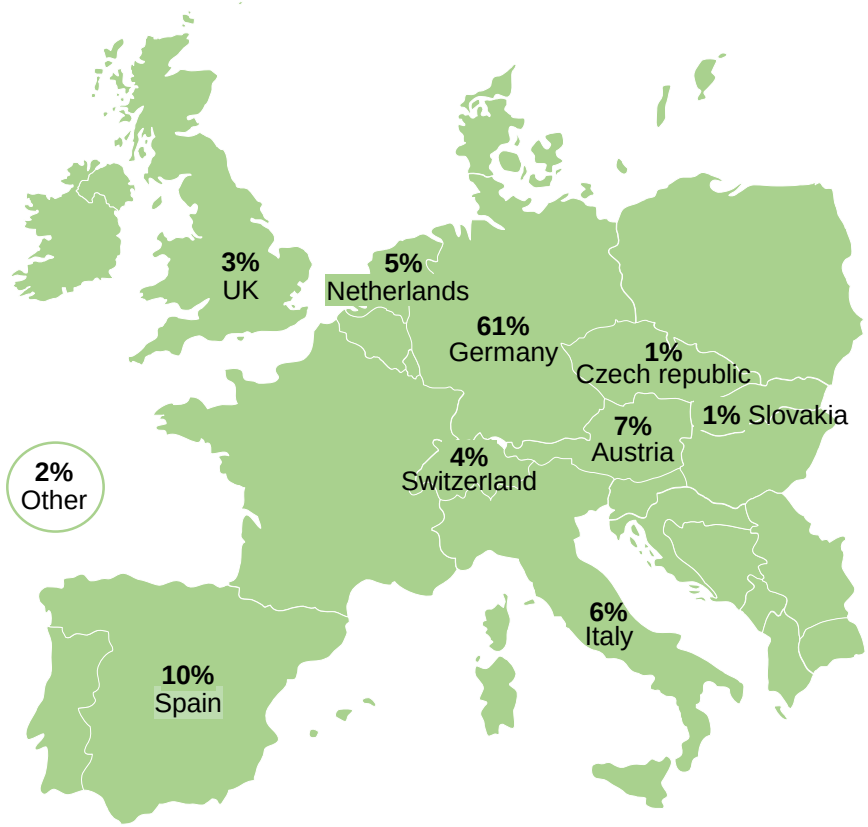
Market capitalisation of about £110m, AIM ticker LSE:AGY



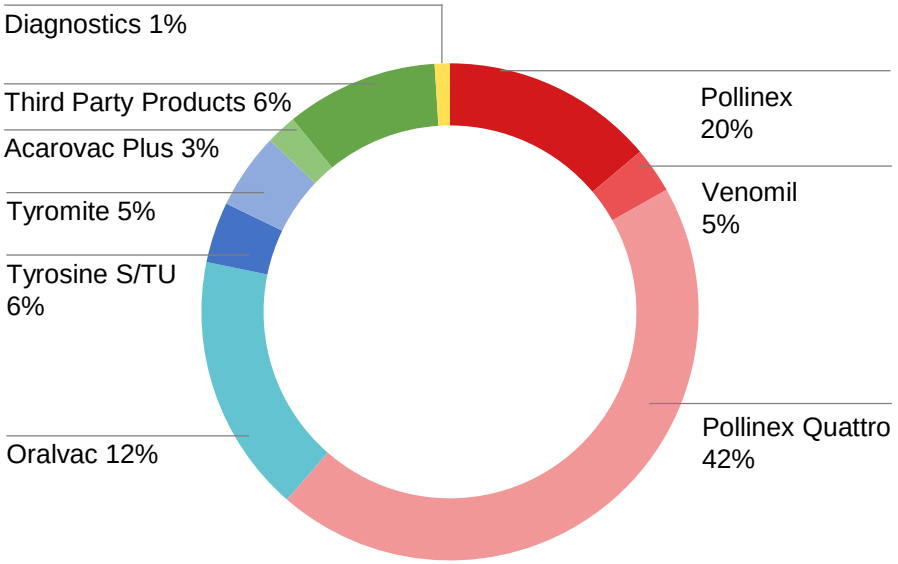
R&D pipeline focussing on peanut allergy with VLP technology

Sales breakdown for FY 2020

Sales by country



Sales of £78.2m by product[1*]



Pollinex Quattro

Pollinex

Tyrosine

Oralvac

[1] Sales breakdown based on gross sales at budget exchange rates (before freight, rebates and exchange) : £78.7 million.
After deducting rebates, freight charges and foreign exchange adjustments, total sales for FY2020 is £78.2 million

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

Cutting-edge Platform Technologies

Allergy Therapeutics PLC

	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

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

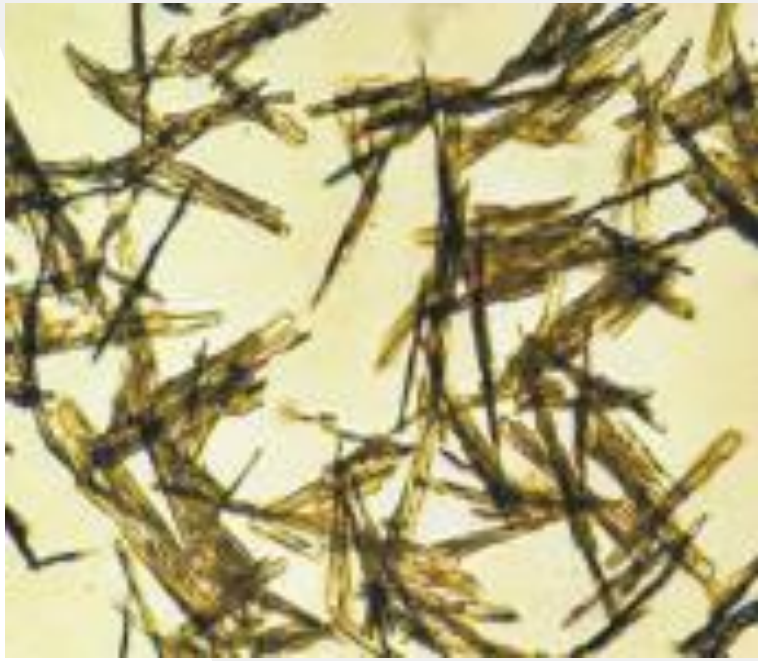
Allergy Therapeutics PLC

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

Studies have been completed supporting MCT use as a depot immunomodulator in each application:

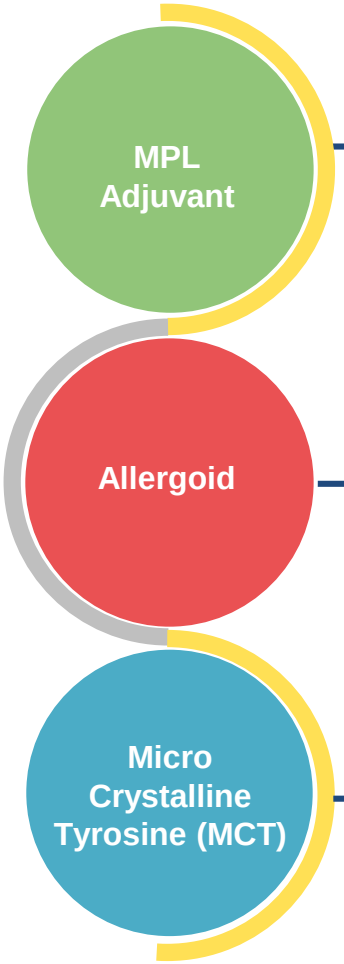
Key publication in The Journal of Inorganic Biochemistry provides insight to the role of the (MCT) for use in existing and future therapeutic development incl. synergies with MCT and MPL in our Pollinex Quattro brand

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

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 Specific Immunotherapy (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

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: **6** injections for optimal product profile
- **Efficacy** in 3 weeks
- **High** compliance

Virus like particle (VLP) platform

- **VLP** platform has potential in many different allergy areas.
- **Sophisticated technology with potential to treat severe and extreme allergies**
  - Engineered with a T-cell epitope derived from the tetanus toxin
  - Leads to activation of memory cells
  - Increased antibody response
- When bound with an allergen, the immune system reacts to the virus not the allergen.
- Therefore protective immunity is induced, enabling shorter therapy duration with an enhanced tolerability profile.

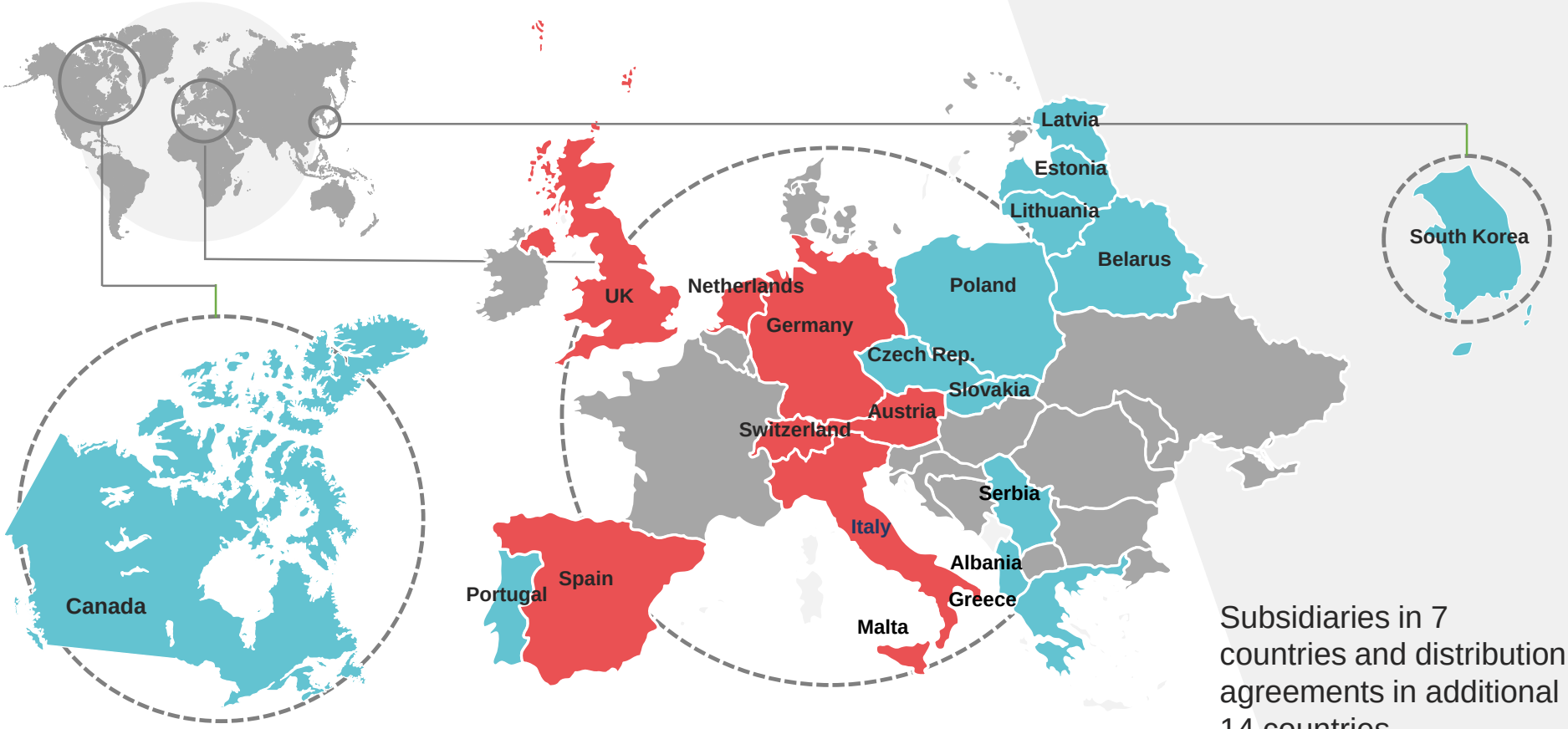
Potential allergy areas include peanut, mixed nuts, cat, mould, mite and venoms

Initial peanut results show potential of technology

Allergy Therapeutics: Company with Solid Sales and Global presence

Allergy Therapeutics PLC

Sales and marketing network comprising c.140 European sales force



Subsidiaries in 7 countries and distribution agreements in additional 14 countries

Sales – year ended 30 June 2020

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Stable sales growth

Increases in across all countries with Southern Europe more impacted by Covid19

Good growth in Pollinex Quattro, Pollinex and Venomil

Most markets performing robustly

FX impact low this year as small difference between rates

	2020 £'m	2019 £'m	Variance £'m	%
Gross Revenue at Constant Exchange Rate	83.8	77.5	6.3	8%
Rebate at Constant Exchange Rate	(5.0)	(3.8)	(1.2)	
Net Revenue at Constant Exchange Rate	78.8	73.7	5.1	7%
Effect of Foreign Exchange	(0.6)		(0.6)	
Net Revenue	78.2	73.7	4.5	6%
*Constant exchange rate Euro/£	1.13			
Current exchange rate Euro/£	1.14	1.13		

* 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.