Allergy Therapeutics PLC

2021 set to be an important year

Interim Results for the six months ending 31 December 2020

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Financial and operational highlights

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VLP peanut candidate

Ex vivo biomarker study in progress

Results expected in Spring 2021

Grass MATA MPL

Exploratory field trial now fully recruited

Results expected in H2 2021

Strengthening portfolio

ImmunoBON launched

Potential to expand into rest of Europe

7% actual increase in **revenue** to **£54.0m** *(2019 £50.5m)*

Record operating profit pre R&D up **18.5%**

Strong cash balance of **£48.3m** *(2019: £39.7m)*

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

Three Pillars to Growth: Advancing a Leading Allergy Immunotherapy Company

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01

Strong pipeline

New technologies underpin pipeline breadth and depth

Investment strategy supported by growing revenue stream

02

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

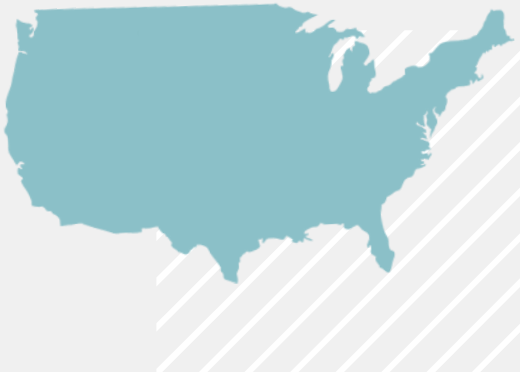
03

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



European Business – 2021 Half Year Results

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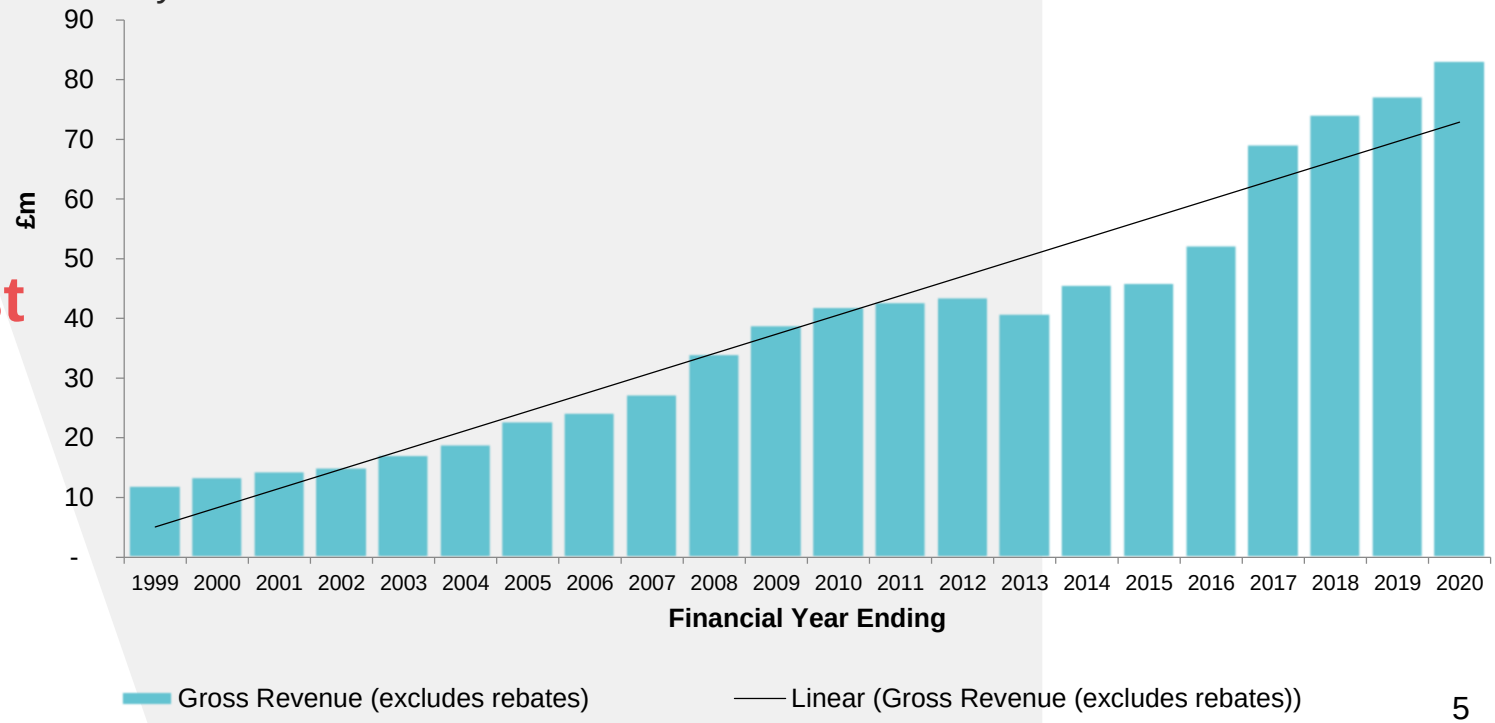
Solid sales growth of 7% at actual rates in 2021

- Good growth tempered by impact of COVID, especially in Southern Europe
- Initial Brexit slowdown but goods flowing more smoothly now
- Focused cost efficiencies while investing in future
- Regulatory environment still challenging
- Potential for Immunobon

9% CAGR growth over last 22 years since formation



Innovative, Broad Pipeline and Marketed Products

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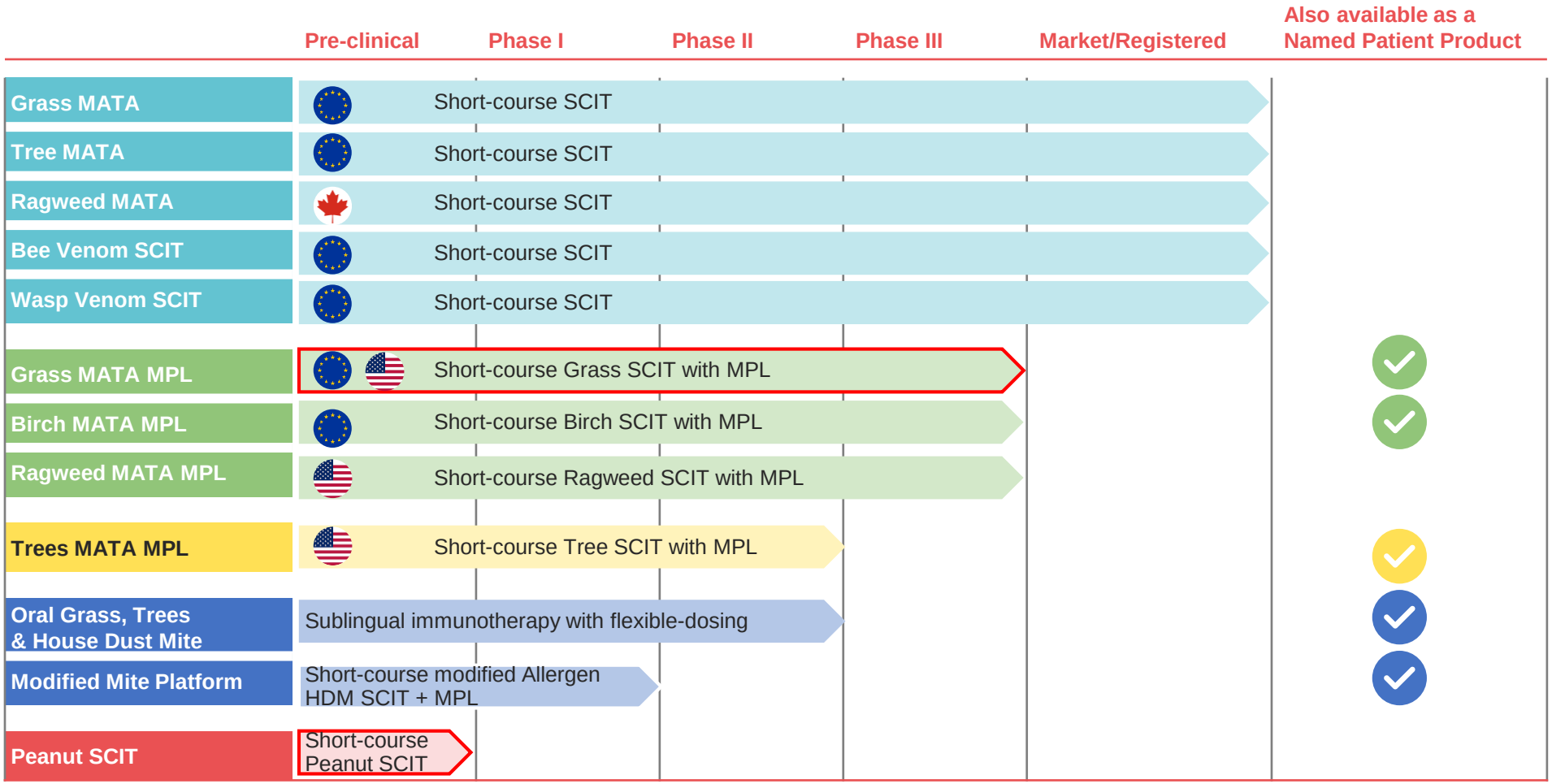

VLP candidates under proof-of-concept evaluation for uses outside allergy including cancer, asthma, psoriasis and atopic dermatitis

SCIT: Subcutaneous Immunotherapy
MATA: Modified Allergen Tyrosine Adsorbed

Grass MATA MPL

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Phased Phase III programme underway to provide data to support US and EU authorisation

Both trials (G309 and G306) fully funded

Exploratory field study (G309) fully recruited with results expected autumn 2021

Efficacy field study (G306) to start H2 2022 incorporating learnings from G309

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

Key product for US introduction – Ragweed and Birch would be products to follow with INDs already open and Phase II data available

Ultra short-course product with huge potential in US market

VLP Peanut product

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

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

Safety profile of product evaluated and found **not to induce anaphylaxis** in pre clinical model

Ex vivo biomarker trial with Imperial College underway and due to read out Spring 2021

Industrial scale-up progressing well (400L batch complete)

Pre IND meeting with FDA planned for H1 2021 and IND submission for H2 2021

Phase I (P101) trial fully funded and due to begin H1 2022

*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

Draft Trial Protocol for VLP Peanut P101

STEP 1 — Updosing with VLP Peanut to confirm tolerability of VLP

STEP 2 — Skin prick testing with VLP Peanut in peanut allergic patients

STEP 3 — Updosing with VLP Peanut in peanut allergic patients

STEP 4 — Fixed dose proof of concept with VLP Peanut in peanut allergic patients

Planned timing

H1 2022

H2 2023

NB: Subject to regulatory approval

Increased investment in VLP Technology

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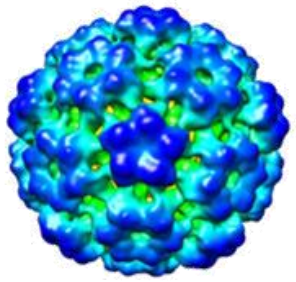
- Exclusive licence agreements signed to use patented VLP technology platform to develop vaccines targeting oncology and immune conditions –
  - **Cancer (Melanoma)**
  - **Asthma**
  - **Atopic Dermatitis**
  - **Psoriasis**



- Proof of concept studies underway
- IP registration in progress

Significant first step into wider Immunotherapy field

Strengthening a Broad Portfolio

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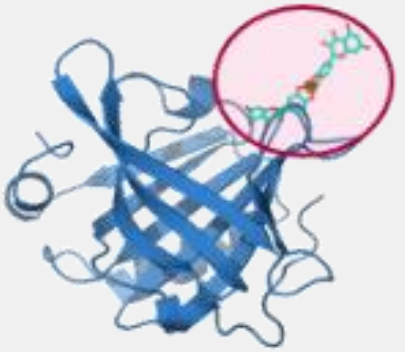
immunoBON® - to treat and prevent allergies by mimicking the "farm effect"



- Uses **Lipocalins,** that are found in raw milk and farm dust, which are proteins that can protect from allergy.
- **Treatment for multiple allergens** with studies already complete in Birch and House Dust Mite
- Product launched in **Germany and Austria**
- **Early indications good** in terms of orders
- **Potential to expand** to other European countries including UK, a very significant OTC market
- Sales channel via **pharmacies**

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Financial Results

P&L – six months ended 31 December 2020

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+7%

Robust sales performance
Despite COVID-19 and Brexit

+£0.3m

Overheads up
due to phasing and efficiencies

£20.5m

Operating profit pre R&D
(2020: £17.3m) increase due to robust sales and operating efficiencies

	2021 £'m	2020 £'m	Variance % £'m	
Revenue	54.0	50.5	3.5	7%
Gross profit	42.3	39.1	3.2	8%
Overheads	(22.1)	(21.8)	(0.3)	1%
R&D - Expenditure	(4.7)	(4.5)	(0.2)	
- Settlement		3.2	(3.2)	
Other Income	0.3		0.3	
Operating profit	15.8	16.0	(0.2)	
Net Financing costs	(0.2)	(0.1)	(0.1)	
Tax	(0.6)	(0.6)	(0.1)	
Profit after tax	14.9	15.3	(0.3)	

Balance sheet at 31 December 2020

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£1.4m

Increase in inventory due to Brexit preparation

£2.0m

Debtor increase due to tax R&D and VAT credits

£48.3m

Cash at 31 Dec 2020

£3.8m

Debt. Seasonal overdraft in place (undrawn)

	2021 £'m	2020 £'m	Variance £'m
Non-current assets			
Property , plant and equipment	19.5	20.3	(0.8)
Intangible assets	4.4	4.6	(0.2)
Investments	5.9	5.5	0.4
	29.8	30.4	(0.5)
Current assets			
Inventories	10.1	8.7	1.4
Trade and other receivables	10.8	8.8	2.0
Cash	48.3	39.7	8.6
Derivative financial instruments		0.3	(0.3)
Liabilities			
Financial Liabilities	(3.8)	(2.0)	(1.8)
Other Liabilities	(36.5)	(34.7)	(1.7)
Net Assets	58.7	51.2	7.5
Equity			
Share capital and share premium	113.2	113.2	0.0
P&L account and other reserves	(54.5)	(62.0)	7.5
Total Equity	58.7	51.2	7.5

Cashflow for the six months ended 31 December 2020

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Positive net cash generated by good sales, cost phasing and control

Good working capital control

Strong cash position of £48.3m driven by trading performance

	2021		2020	
	£'m	£'m	£'m	£'m
Opening cash balance 1st July		37.0		27.4
Profit before tax	15.6		15.9	
Adjustments re operations	(2.9)		(1.6)	
Net cash generated by operations		12.7		14.3
Tax received		0.3		0.6
Interest paid		(0.2)		(0.3)
Interest received	0.0		0.2	
Investments and acquisitions	(0.1)		(0.1)	
Capital expenditure	(0.7)		(1.1)	
Net cash used in investing activities		(0.8)		(1.0)
Net movement in borrowings	(0.6)		(1.0)	
Net cash used in financing activities		(0.6)		(1.0)
Effects of exchange rates on cash		(0.1)		(0.3)
Closing Cash Balance 31 December		48.3		39.7

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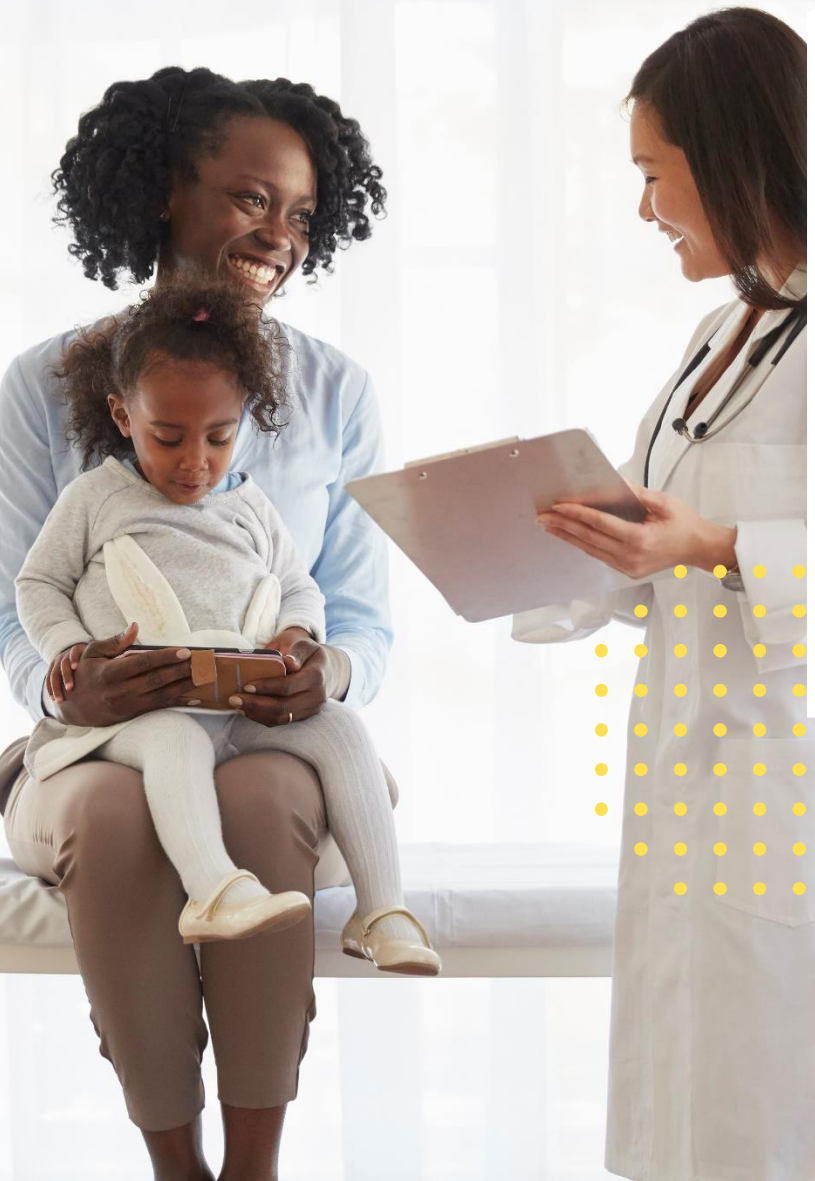


Summary and outlook

2021 set to be an important year

Delivering against our strategy: three pillars to growth

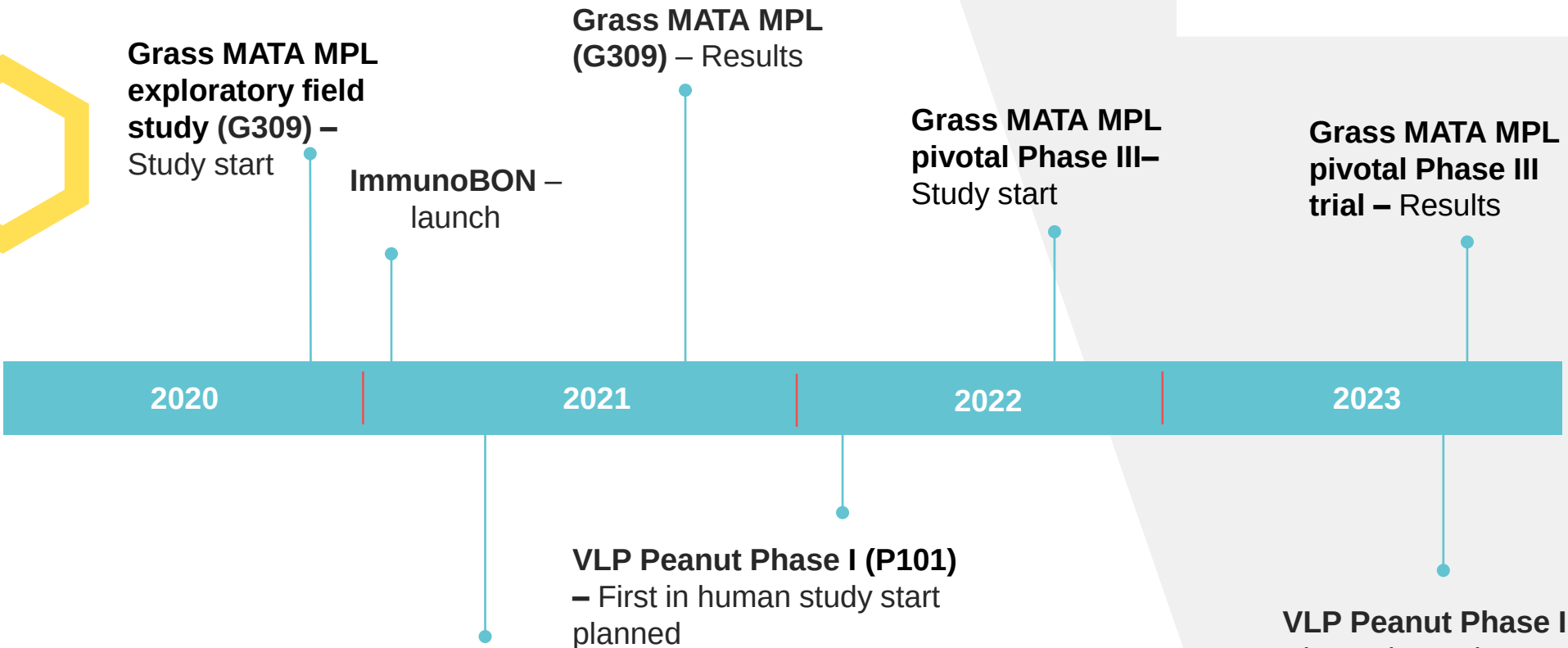
Drive further growth in sales and maximise **ImmunoBON** launches

Results from **Grass MATA MPL exploratory field study (G309)** in autumn 2021

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

Results of Peanut ex vivo study to support IND meeting with FDA ahead of Phase I (P101) in 2022

Key milestones



Grass MATA MPL exploratory field study (G309) – Study start

ImmunoBON – launch

Grass MATA MPL (G309) – Results

Grass MATA MPL pivotal Phase III– Study start

Grass MATA MPL pivotal Phase III trial – Results

VLP Peanut Phase I (P101) – First in human study start planned

VLP Peanut – ex vivo biomarker study results

VLP Peanut Phase I – Planned Results

Note: timings are calendar years

Appendix

Allergy Therapeutics

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Unique Selling Point - Ultra-short course treatment technology platforms

Potential to cure, not just treat symptoms

Only truly innovating business in broad allergy market of biotechnology

Large US market potential in peanut, allergic rhinitis and immunotherapy

Successful trading model - 9% annual revenue growth over the last 22 years

Leading aluminium-free subcutaneous allergy vaccines

Rich pipeline with both near market and early stage candidates

Listed on London Stock Exchange (AIM)

Allergy Therapeutics: Company with Solid Sales and Global presence

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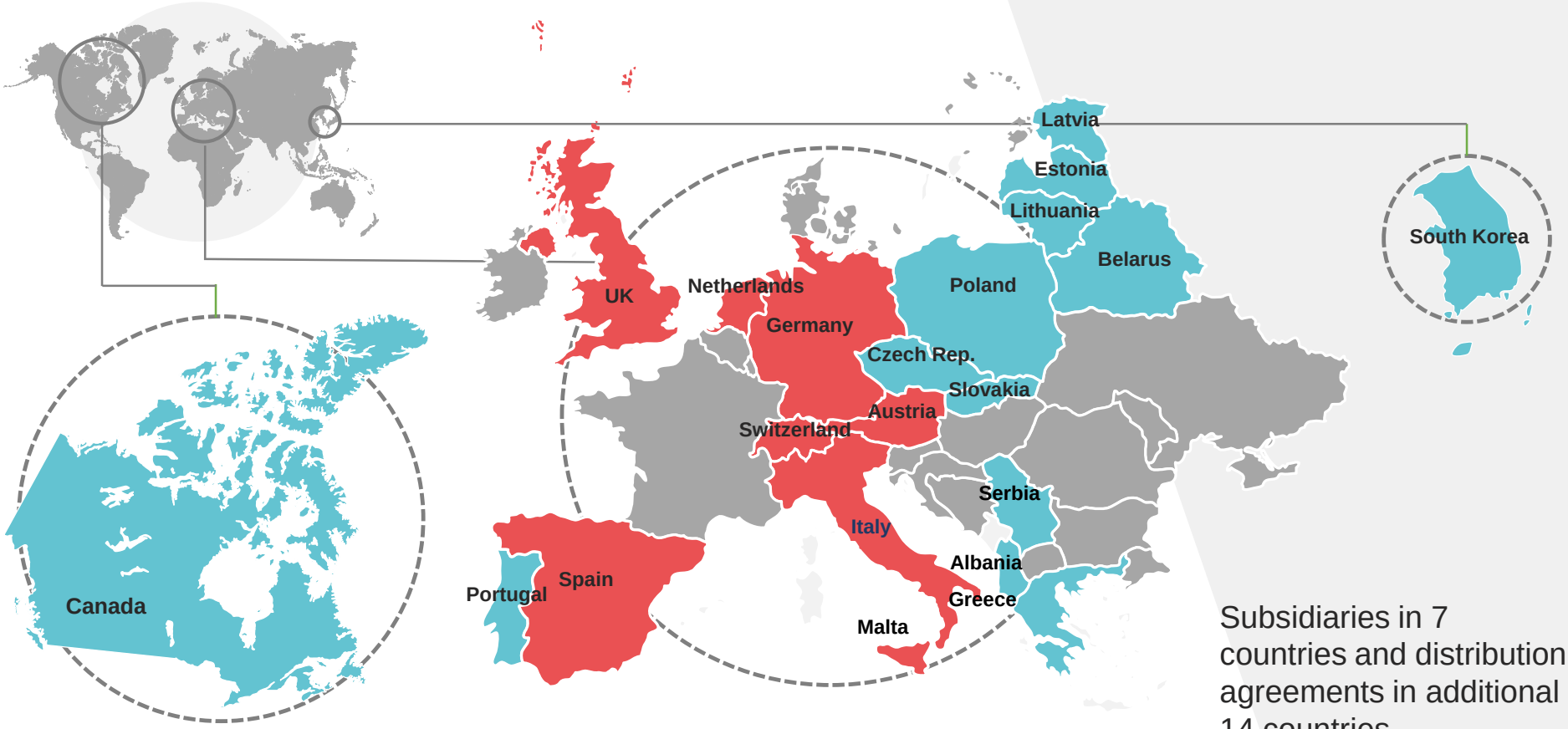
Sales and marketing network comprising c.140 European sales force



Subsidiaries in 7 countries and distribution agreements in additional 14 countries

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

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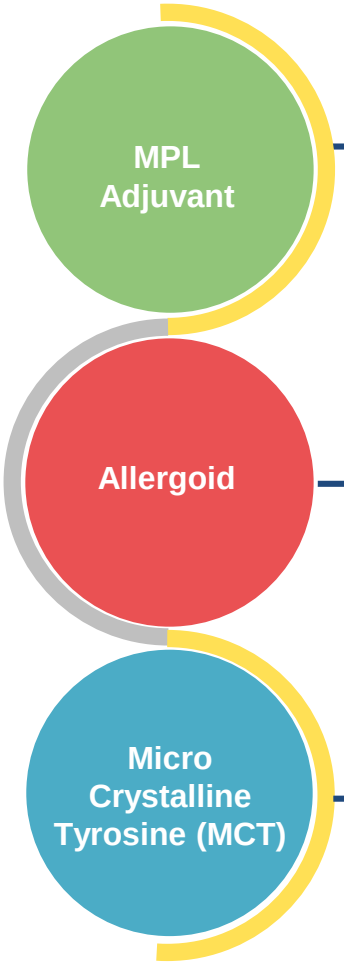

MPL Adjuvant

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

Science of immunoBON®

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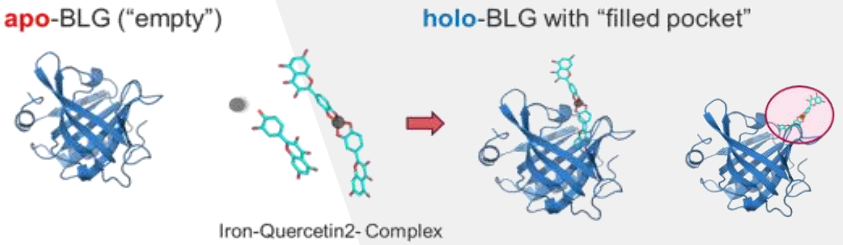
What we already know:

- **"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 ↓

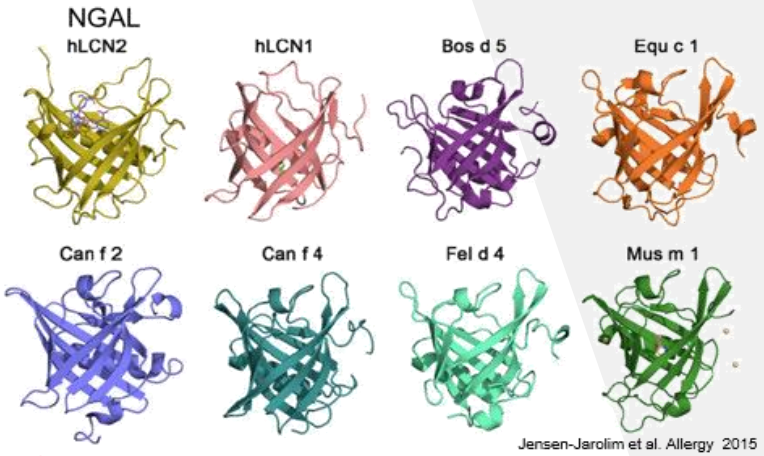


Most important cow milk
Allergen
"inflammation"

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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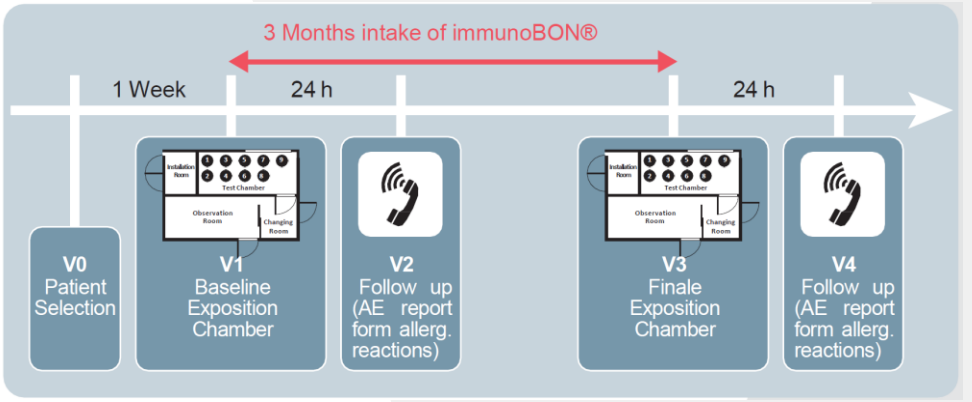
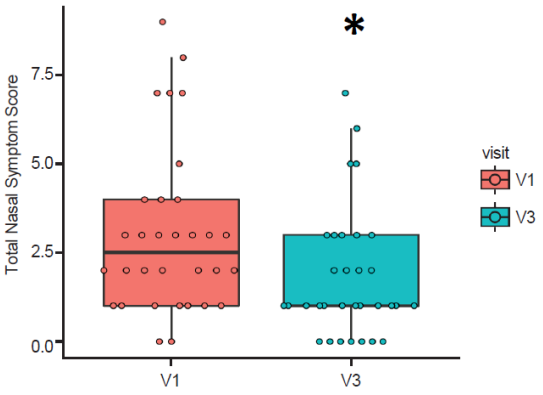
Study overview:

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.

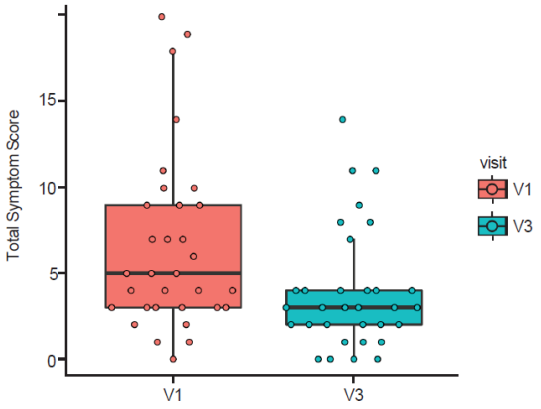
Study Design:



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

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

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

Preparing for US entry

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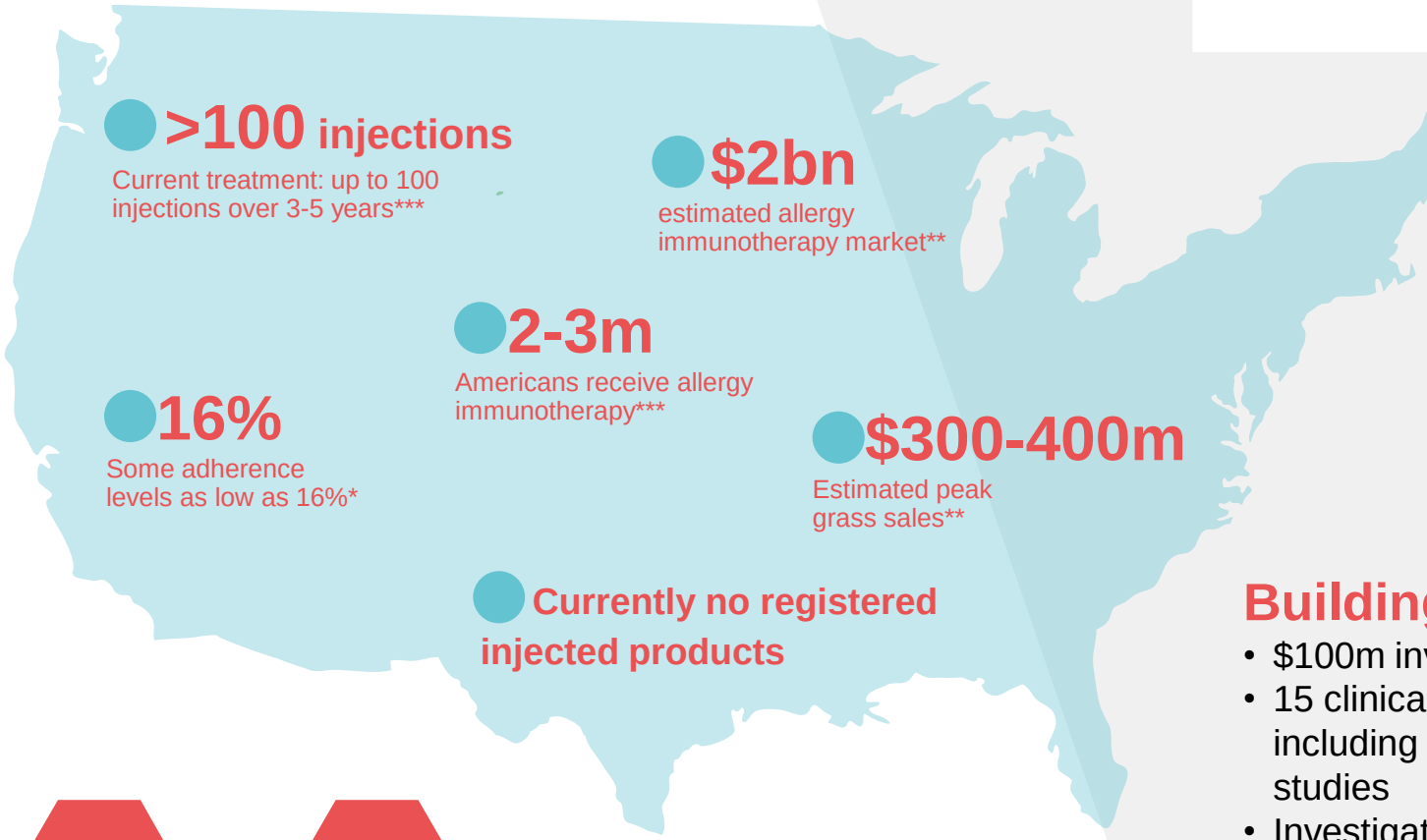

Capturing the opportunity

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

Sales – six months ended 31 December 2020

Allergy Therapeutics PLC

Good sales growth driven by good performance in Northern Europe

Growth in Pollinex, Pollinex Quattro and Venomil

Noted impact in Southern Europe from COVID-19

Small FX impact in this period as exchange rates similar

	2021 £'m	2020 £'m	Variance £'m	%
Gross Revenue at Constant Exchange Rate	55.9	53.8	2.1	4%
Rebate at Constant Exchange Rate	(2.8)	(3.3)	0.5	
Net Revenue at Constant Exchange Rate	53.1	50.5	2.6	5%
Effect of Foreign Exchange	0.9		0.9	
Net Revenue	54.0	50.5	3.5	7%
*Constant exchange rate Euro/£	1.13			
Current exchange rate Euro/£	1.11	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.