

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or have sold or transferred all of your Ordinary Shares in the Company please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was made.

This document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules made by the Financial Conduct Authority of the United Kingdom (“FCA”) pursuant to sections 73A(1) and (4) of FSMA and accordingly this document has not been, and will not be, approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. On the assumption that, *inter alia*, the Subscription Resolutions are passed, it is expected that Admission will occur and dealings will commence in the Subscription Shares on 19 October 2022. The Subscription Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid on or after they are issued. No application will be made for the Warrants to be admitted to trading on AIM.

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# **Allergy Therapeutics plc**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 05141592)*

**Subscription for 35,000,000 Subscription Shares at an Issue Price of 20 pence per share**

**Issue of Warrants to subscribe for 33,333,332 new Ordinary Shares at a Warrant Exercise Price of 30 pence per Warrant**

**and**

**Notice of General Meeting**

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**You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company explaining the background to, and reasons for, the Transaction which is set out in Part I of this document.**

The Notice of General Meeting to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m. on 17 October 2022, is set out at the end of this document.

The Company requests that all of its Shareholders appoint the chair of the meeting as their proxy and submit their votes via proxy in advance of the meeting. Appointing a proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish. Shareholders may submit their proxy votes online via [www.signalshares.com](http://www.signalshares.com) or may request a paper proxy form from the Registrars, Link Group by calling 0371 664 0300 (if calling from the United Kingdom), or +44 371 664 0300 (if calling from outside of the United Kingdom), or emailing [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk). Shareholders will not automatically receive a form of proxy with this document. Shareholders who are CREST members may submit their CREST Proxy Instructions online via the CREST electronic appointment service. Proxy appointments must be completed

by Shareholders and returned as soon as possible but in any event so as to be received by the Registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 11 a.m. on 13 October 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to appoint a proxy on their behalf. Further details of how to register your proxy vote are contained within the notes to the Notice of General Meeting at the end of this document.

Persons intending to attend the General Meeting in person will need a QR code to access the meeting venue. Such QR code will need to be displayed on a smartphone or similar device. A QR code will be able to be obtained in advance by emailing the Registrars, Link Group at [meetingsadvisoryteam@linkgroup.co.uk](mailto:meetingsadvisoryteam@linkgroup.co.uk) with your full name, IVC or full address and email address. Persons who have not obtained a QR code in advance will be able to obtain one at the meeting venue.

The distribution of this document in certain jurisdictions may be restricted by law. Accordingly, neither this document nor any other material relating to the Transaction or other transactions noted in this document, may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any such restrictions.

Neither the Loan Notes, the Warrants, or the Subscription Shares nor the Loan Note Agreement, the Warrant Instrument, the Subscription Letters, this document or other documents connected with the Transaction have been nor will be registered under the securities laws and regulations of any jurisdiction, in particular, Australia, Canada, Japan or the Republic of South Africa, and may not be offered, sold, resold, or delivered, directly or indirectly, within Australia, Canada, Japan or the Republic of South Africa, or in any jurisdiction where it is unlawful to do so, except pursuant to an applicable exemption.

This document (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the United States or to US persons unless the securities are registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws and regulations of any state or jurisdiction of the United States. The securities referred to herein were offered and sold to non-US persons outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act. There was no public offer of securities in the United States.

None of the Loan Note Agreement, the Warrant Instrument, the Subscription Letters, this document or any other document connected with the Transaction have been or will be approved or disapproved by the US Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed comment upon or endorsed the merits of the offering of the Loan Notes, the Warrants and/or the Subscription Shares or the accuracy or adequacy of this document or any other document connected with the Transaction. Any representation to the contrary is a criminal offence.

Panmure Gordon, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting for the Company in connection with the Transaction and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Panmure Gordon or for advising any other person in respect of the Transaction or any transaction, matter or arrangement referred to in this document. Panmure Gordon's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of the Transaction.

Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by FSMA or the regulatory regime established thereunder, Panmure Gordon does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any

other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction. Panmure Gordon accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The Company and the Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information

Copies of this document will be available free of charge to the public from the Company's website [www.allergytherapeutics.com](http://www.allergytherapeutics.com). However, the contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document.

### **Forward Looking Statements**

This document contains "forward-looking statements" which include all statements (other than statements of historical facts) including, without limitation, those regarding the Group's financial position, business strategy, potential clinical trial outcomes, plans and objectives of management for future operations, and any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could", "potential" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

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## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors:</b>	Peter Jensen ( <i>Non-Executive Chairman</i> ) Manuel Llobet ( <i>Chief Executive Officer</i> ) Nicolas Wykeman ( <i>Chief Finance Officer</i> ) Scott Leinenweber ( <i>Non-Executive Director</i> ) Cheryl MacDiarmid ( <i>Independent Non-Executive Director</i> ) Tunde Otulana ( <i>Independent Non-Executive Director</i> ) Mary Tavener ( <i>Independent Non-Executive Director</i> )
<b>Company Secretary:</b>	Sara Goldsbrough
<b>Registered Office:</b>	Dominion Way Worthing West Sussex BN14 8SA
<b>Company Website:</b>	<a href="http://www.allergytherapeutics.com">www.allergytherapeutics.com</a>
<b>Telephone Number:</b>	+44 (0) 1903 844 700
<b>Nominated Adviser &amp; Broker:</b>	<b>Panmure Gordon (UK) Limited</b> One New Change London EC4M 9AF
<b>Legal Advisers to the Company:</b>	<b>Covington &amp; Burling LLP</b> 22 Bishopsgate London EC2N 4BQ
<b>Registrars:</b>	<b>Link Group</b> 65 Gresham Street London EC2V 7NQ
<b>Public Relations:</b>	<b>Consilium Strategic Communications</b> 41 Lothbury London EC2R 7HG

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Date</b>
Announcement of the Transaction	29 September 2022
Publication of this document	29 September 2022
Latest time and date for receipt of proxy appointments for the General Meeting	11 a.m. on 13 October 2022
General Meeting	11 a.m. on 17 October 2022
Announcement of the results of the General Meeting	17 October 2022
Admission and commencement in dealings in the Subscription Shares expected to commence	19 October 2022
CREST stock accounts expected to be credited for Subscription Shares	19 October 2022
Share certificates for Subscription Shares expected to be dispatched	Within 10 Business Days of Admission
Purchase Date and issue of Loan Notes and Warrants	28 February 2023

### Notes

1. Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified to London Stock Exchange plc and the Company will make an appropriate announcement to a Regulatory Information Service.
2. References to times in this document are to London time unless otherwise stated.

## KEY STATISTICS

### **Subscription**

Issued share capital of the Company as at the Last Practicable Date	644,104,621 Ordinary Shares
Number of Subscription Shares	35,000,000
Issue Price	20 pence
Estimated gross proceeds of the Subscription	£7,000,000
Estimated expenses of the Subscription	£530,000
Estimated net proceeds of the Subscription	£6,470,000
Enlarged Share Capital following Admission	679,104,621 Ordinary Shares
Percentage of the Enlarged Share Capital represented by the Subscription Shares	5.2 per cent.
Market capitalisation of the Company immediately following the Subscription	£135.8 million

### **Loan Notes**

Loan Notes	£10,000,000
Tenor	5 years
Interest	Bank of England Base Rate plus 8.25 per cent. per annum

### **Warrants**

Number of Warrants	33,333,332
Warrant Exercise Price	30 pence
Percentage of the Enlarged Share Capital represented by the Warrants	4.9 per cent.

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Act”</b>	the Companies Act 2006
<b>“Admission”</b>	the admission to trading on AIM of the Subscription Shares in accordance with the AIM Rules, which is expected to take place on 19 October 2022
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require)
<b>“AIM Rules for Companies”</b>	the rules of AIM as set out in the publication entitled “AIM Rules for Companies” published by the London Stock Exchange from time to time
<b>“AIM Rules for Nominated Advisers”</b>	the rules of AIM as set out in the publication entitled “AIM Rules for Nominated Advisers” published by the London Stock Exchange from time to time
<b>“Board” or “Directors”</b>	the board of directors of the Company, whose names are listed on page 5 of this document
<b>“Business Day”</b>	any day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
<b>“Company” or “Allergy”</b>	Allergy Therapeutics plc, a public limited company incorporated in England and Wales with company number 05141592
<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
<b>“CREST Manual”</b>	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
<b>“CREST Proxy Instruction”</b>	the message appointing a proxy (or giving or amending an instruction to a previously appointed proxy) via the CREST system
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>“Debt Financing”</b>	the unsecured financing of the Company comprised of the issue of the Loan Notes pursuant to the Loan Note Agreement and the issue of Warrants pursuant to the Loan Note Agreement and the Warrant Instrument
<b>“Debt Financing Resolutions”</b>	the resolutions to be proposed at the General Meeting relating to the Debt Financing, being the Resolutions 2 and 4, as set out in the Notice of General Meeting in Part III ( <i>Notice of General Meeting</i> ) of this document

<b>“Enlarged Share Capital”</b>	the 679,104,621 Ordinary Shares in issue immediately following Admission of the Subscription Shares (assuming no share issuances between the Last Practicable Date and Admission)
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of the Shareholders of the Company to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m. on 17 October 2022, convened by the Notice of General Meeting which is set out at the end of this document
<b>“Group”</b>	the Company, its subsidiaries and subsidiary undertakings
<b>“Issue Price”</b>	20 pence per Subscription Share
<b>“Last Practicable Date”</b>	28 September 2022, being the latest practicable date prior to the publication of this document
<b>“Loan Note Agreement”</b>	the loan note instrument entered into between the Company and the Purchasers dated 29 September 2022, pursuant to which the Purchasers have agreed to purchase the Loan Notes on the terms and conditions set out therein
<b>“Loan Notes”</b>	the loan notes in the aggregate principal amount of £10,000,000 to be issued by the Company pursuant to the Loan Note Agreement
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Note Purchasers”</b>	Southern Fox and ZQ Capital, as note purchasers in the Debt Financing
<b>“Noteholders”</b>	the holders of the Loan Notes for the time being
<b>“Notice of General Meeting”</b>	the notice of General Meeting which is set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.1 pence each in the capital of the Company
<b>“Panmure Gordon”</b>	Panmure Gordon (UK) Limited, a private limited company incorporated and registered in England with No. 04915201 whose registered office is One New Change, London, EC4M 9AF, the Company’s nominated adviser and broker
<b>“Purchase Date”</b>	means the date on which the Loan Notes are to be sold and purchased, which is expected to be 28 February 2023
<b>“Registrars” or “Link Group”</b>	Link Group of 65 Gresham St, London EC2V 7NQ
<b>“Regulatory Information Service” or “RIS”</b>	a regulatory information service operated by the London Stock Exchange as defined in the AIM Rules for Companies
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<b>“Shareholders”</b> and each being individually a <b>“Shareholder”</b>	the holders of Ordinary Shares for the time being

<b>“SkyGem”</b>	SkyGem Acquisition Limited, an affiliate of ZQ Capital
<b>“Southern Fox”</b>	Southern Fox Investments Limited
<b>“Subscribers”</b>	Southern Fox and ZQ Capital (acting through its affiliate SkyGem), as subscribers in the Subscription
<b>“Subscription”</b>	the subscriptions for the Subscription Shares by the Subscribers at the Issue Price pursuant to the Subscription Letters, conditional upon, <i>inter alia</i> , the passing of the Subscription Resolutions at the General Meeting
<b>“Subscription Letters”</b>	the: <ul style="list-style-type: none"> <li>(i) subscription letter dated 29 September 2022 between the Company and Southern Fox pursuant to which Southern Fox agreed to subscribe for 5,000,000 Subscription Shares at the Issue Price; and</li> <li>(ii) subscription letter dated 29 September 2022 between the Company and SkyGem pursuant to which SkyGem agreed to subscribe for 30,000,000 Subscription Shares at the Issue Price</li> </ul>
<b>“Subscription Resolutions”</b>	the resolutions to be proposed at the General Meeting relating to the Subscription, being the Resolutions 1 and 3, as set out in the Notice of General Meeting in Part III ( <i>Notice of General Meeting</i> ) of this document
<b>“Subscription Shares”</b>	35,000,000 new Ordinary Shares to be issued pursuant to the Subscription
<b>“Transaction”</b>	means the Debt Financing and the Subscription
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“Warrant Exercise Price”</b>	the exercise price of the Warrants, being 30 pence per Warrant
<b>“Warrant Holder”</b>	holder of the Warrants for the time being
<b>“Warrant Instrument”</b>	the warrant instrument proposed to be entered into by the Company by way of deed poll on the Purchase Date, pursuant to which the Company constituted the Warrants
<b>“Warrants”</b>	warrants to subscribe for 33,333,332 Ordinary Shares and which are exercisable at the Warrant Exercise Price and otherwise in accordance with the terms of the Warrant Instrument
<b>“ZQ Capital”</b>	ZQ Capital Management Limited

All references to **“this document”** are to this circular of the Company giving (amongst other things) details of the Transaction and incorporating the Notice of General Meeting.

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

All references to time in this document are to London time.

## PART I

### LETTER FROM THE CHAIRMAN OF ALLERGY THERAPEUTICS PLC

#### Allergy Therapeutics plc

(Incorporated and registered in England and Wales with registered no. 05141592)

*Directors:*

Peter Jensen (*Non-Executive Chairman*)  
Manuel Llobet (*Chief Executive Officer*)  
Nicolas Wykeman (*Chief Finance Officer*)  
Scott Leinenweber (*Non-Executive Director*)  
Cheryl MacDiarmid (*Independent Non-Executive Director*)  
Tunde Otulana (*Independent Non-Executive Director*)  
Mary Tavener (*Independent Non-Executive Director*)

*Registered Office:*

Dominion Way  
Worthing  
West Sussex  
BN14 8SA

29 September 2022

Dear Shareholder,

**Subscription for 35,000,000 Subscription Shares at an Issue Price of 20 pence per share  
Issue of Warrants to subscribe for 33,333,332 new Ordinary Shares at a Warrant Exercise Price  
of 30 pence per Warrant  
and  
Notice of General Meeting**

#### 1. Introduction

The Company announced on 29 September 2022 that it has conditionally raised a total of £17 million (before expenses), comprising the Subscription by the Subscribers, Southern Fox and ZQ Capital (acting through its affiliate SkyGem), to raise £7 million at an Issue Price of 20 pence per share and the issue to the Note Purchasers, Southern Fox and ZQ Capital, of Loan Notes to raise £10 million. In addition, in conjunction with the issue of Loan Notes, the Company has agreed to issue to the Note Purchasers Warrants to subscribe for 33,333,332 new Ordinary Shares at a Warrant Exercise Price of 30 pence per Warrant.

Net proceeds raised from the Subscription and Debt Financing will be used to complete the Group's Phase I peanut trial and Grass Phase III trial following trial design optimisation to increase the chances of success of these important trials. The Directors believe VLP Peanut has the potential to become a best-in-class treatment for peanut allergy with a revenue potential of more than US\$1 billion per annum whilst a successful Grass Phase III trial presents a significant future opportunity to grow grass allergy product sales by transitioning from named patient sales to registered product sales and launch in the United States. The net proceeds raised will also be used to prepare VLP Peanut IMP batches in preparation for a VLP Peanut Phase II trial to allow for swift progression to the next stage of clinical development assuming a positive outcome from the initial trial.

The Subscription is conditional on, *inter alia*, the passing of the Subscription Resolutions by the Shareholders at the General Meeting. The Subscription is also conditional on the passing of the Debt Financing Resolutions with respect to the Debt Financing. If the Resolutions are passed, the Subscription Shares are expected to be allotted after the General Meeting, conditional on Admission, which is expected to occur on or around 8.00 a.m. on 19 October 2022. If the Resolutions are not passed, the Subscription will not complete.

The Debt Financing is conditional on, *inter alia*, the passing of the Debt Financing Resolutions by the Shareholders at the General Meeting. The Debt Financing is also conditional on the passing of the

Subscription Resolutions with respect to the Subscription and completion of the Subscription, such that if the Subscription does not complete, the Debt Financing will not complete. If the Resolutions are passed, the Loan Notes and the Warrants will be issued after the General Meeting on the Purchase Date, which is expected to be on 28 February 2023. If the Resolutions are not passed, the Debt Financing will not complete.

Accordingly Shareholders are strongly encouraged to vote in favour of the Resolutions. The Notice of General Meeting convening a general meeting of the Shareholders to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m. on 17 October 2022 for the purposes of considering and, if thought fit, passing the Resolutions, is set out in Part III (*Notice of General Meeting*) of this document.

## **2. Background to and reasons for the Transaction**

Allergy Therapeutics is an international commercial biotechnology company focused on the treatment and diagnosis of allergic disorders, including aluminium free immunotherapy vaccines that have the potential to cure disease. The Group sells proprietary and third-party products from its subsidiaries in nine major European countries and via distribution agreements in an additional ten countries. Its broad pipeline of products in clinical development includes vaccines for grass, tree and ragweed pollen in addition to a peanut allergy vaccine. Adjuvant systems to boost performance of vaccines outside allergies are also in development.

The Group sells both injectable and sublingual (oral) allergen-specific immunotherapies. The Directors believe the Group's products are differentiated by their ultra-short and short course treatment nature and vaccine approach.

The Group's existing commercial therapies trade under various brand names depending on the market, (e.g., Pollinex Quattro, Pollinex, Acarovac, Polligoid and TA Gräser Top). The Group's therapies that use the MATA MPL platform are currently sold on a named patient basis pending successful completion of the Group's Phase III trials and subsequent paediatric trials. Once these have been completed, the Company expects to be able to register both the Grass and the Birch MATA MPL products under the TAV (Therapy Allergy Ordinance) process in Germany (with the potential for regulatory approval in 2025); this should also pave the way forward, after completion of the safety database, for registration via a Biological License Application (BLA) in the United States with the potential for regulatory approval in the United States in 2027 for the Grass product. The therapies that use the MATA platform are approved in several European countries including Germany.

The Directors believe the Group's VLP Peanut product has the potential to become a best-in-class treatment with a revenue potential of more than US\$1 billion per annum and to provide long-term immune response in comparison to continual dosing required by other treatments. The vaccine candidate is based on a subcutaneous application of recombinant peanut allergens coupled with a state-of-the-art virus-like particle (VLP) platform with the aim of inducing protective immunity.

The VLP platform has potential in many different disease areas. It is a sophisticated technology with potential to address unmet needs in cancer, asthma, atopic dermatitis and psoriasis. Pre-clinical evaluation of the vaccine candidates is underway with the intention to develop target product profiles to address unmet needs.

The Group has a strong patent portfolio including protection to 2032 for the manufacturing of PQ Grass; the patent for VLP Peanut has recently been granted giving protection until 2035 and, if a further patent is granted, has the potential to be extended to 2040.

The Group continues to execute on its three-pillar strategy for growth – expanding in Europe, building a strong pipeline and gaining market entry in the United States. Recent results demonstrate continued robust performance with revenues for the year ended 30 June 2022 at £72.8 million, with revenues coming from Europe, South Korea and Canada. The unaudited operating profit pre-R&D is £3.4 million for 2022. Cash as at 30 June 2022 was £20.5 million.

The Group has made significant progress with its key pipeline programmes, Grass MATA MPL and VLP Peanut, with both set to start major clinical trials by the end of 2022. The Directors believe these high

value and differentiated products underpin future entry into the commercially important US market which is valued at c.US\$10 billion across both allergic rhinitis and food allergies.

#### *VLP Peanut*

Peanut allergy remains a growing healthcare problem, affecting an estimated 1 to 3 per cent. of Western societies. On a per-affected basis, peanut allergy results in 90 per cent. more emergency room costs and an overall cost of US\$2,800 per year. Peanut allergy is disproportionately associated with severe reactions compared to other allergies.

Clinical development of the Group's innovative peanut vaccine candidate is based on a subcutaneous application of recombinant peanut allergens coupled with a state-of-the-art virus-like particle platform with the aim of inducing protective immunity. VLP Peanut is a next-generation product that, if successful, the Directors believe has the ability to change the approach to food allergy treatment addressing a significant opportunity in the US\$8 billion food allergy market.

The Group successfully completed an initial evaluation of the VLP candidate in collaboration with Imperial College London. The ex-vivo biomarker study demonstrated a significant 24-fold reduction in basophil activation and histamine release.

Following a successful submission of the Investigational New Drug (IND) application to the US Food and Drug Administration (FDA), sites for the first in human Phase I PROTECT trial investigating VLP Peanut, have been established and the trial sites are being contracted. Dosing in healthy patients is expected to commence shortly prior to dose escalation in peanut allergic patients. The Group expects top line data from the PROTECT trial in summer 2023.

The Directors believe this product has the potential to be a ground-breaking, next-generation immunotherapy for peanut allergy sufferers in comparison to continual dosing required by other treatments and follows the Groups strategy of developing ultra-short course treatments for patients that provide a long-lasting protective immune response. The Directors believe VLP Peanut, has the potential to become a best-in-class treatment with a revenue potential of more than US\$1 billion per annum.

#### *PQ Grass*

Grass pollen is one of the most common causes of seasonal allergic rhinitis in the Western world. The symptoms caused by allergic rhinitis reduce patients' quality of life as well as performance at work or school. The World Allergy Organization estimates that in the United States Allergic Rhinitis affects between 10 to 30 per cent. of the adult general population and up to 40 per cent. of children, making it the fifth most common chronic disease. The Group's Grass MATA MPL is a short course, aluminium-free allergen-specific subcutaneous immunotherapy (SCIT) that aims to address the cause of symptoms of allergic rhino conjunctivitis due to grass pollen addressing the US\$2 billion worldwide allergic rhinitis market. Of that market, the Directors believe estimated peak PQ Grass sales could be US\$300-400 million per year.

In May 2021, the Group announced completion of the treatment phase in the G309 exploratory field study to evaluate efficacy and safety of Grass MATA MPL. The results showed a 40 per cent. efficacy rate driven by extended posology and a reduction in placebo effect via training, US regulators typically look for approximately 25 per cent. efficacy rate.

Completion of the treatment phase in the G309 study was an important milestone paving the way for the pivotal Phase III clinical trial (G306) incorporating learnings from the G309 study. US and EU sites are currently being contracted ahead of site initiation visits, which are expected to start later this quarter and results of the G306 study are expected in Q4 2023.

The G306 study is expected to involve approximately 1,200 patients over more than 100 trial sites in the EU and US. Successful completion of the trial is expected to enable the Group to register the Grass MATA MPL product under the TAV (Therapy Allergy Ordinance) process,

subject to initiation of a paediatric trial, in Germany anticipated during 2025 and should also pave the way forward for registration via a Biological License Application (BLA) in the United States targeted for 2027 once the safety database is completed.

In the event that the Grass MATA MPL Phase III trial is not successful, it is likely that the Company would have to withdraw the Grass MATA MPL product from the market in Germany and Austria which may potentially also impact other products using the same platform including MATA MPL mixes (grass and tree). This would have a very significant impact on the Group's sales which would only be partly offset by patients and prescribers switching to the Company's approved Pollinex products.

Beyond the progress being made in the Group's peanut and grass allergy development programmes, preparatory work continues on a future Birch MATA MPL pivotal field trial (B302) which, subject to funding, would be expected to start following results from the Grass MATA MPL pivotal trial (G306). The birch product would form part of the Group's US portfolio, along with a Ragweed MATA MPL product. A summary of the current and planned clinical trials is set out below.

<b>Trial</b>	<b>Code</b>	<b>Patients</b>	<b>Purpose</b>	<b>If successful</b>
Grass MATA MPL Phase III trial	G306	1,200	Field trial to prove efficacy of Grass	- Filing in Germany subject to start of Paediatric trial - Filing in US subject to safety database
Grass MATA MPL placebo extension	G306b	500	Requirement before US filing – reduces final number in G307 below	- Completion of remainder of safety database (G307) before filing
Grass MATA MPL safety database	G307	c.800	FDA requires 1500 patients who have been treated with the product – this is to complete that	- Filing product in US with FDA
Grass MATA MPL Long Term Paediatric Trial	G308	c.700	Determine long term effect of treatment on paediatric patients	- Filing in Germany once started and one year completed
Birch MATA MPL Phase III	B302	c.750	Filed study to prove efficacy of Birch	- Subject to starting a Paediatric trial, filing in Germany
VLP Peanut Phase I Trial (PROTECT)	P101	66	Trial to determine maximum safe dose	- Move to Phase II Dosing trial
VLP Peanut Phase II Trial	P201	c.450	Trial to determine optimum dosing level and posology	- Move to Phase III efficacy trial

### **3. Use of proceeds**

The Directors believe that the Group has the opportunity to progress its two key products through to key inflexion points (including headline data for the Group's VLP Peanut Phase I trial and Grass MAT MPL pivotal field trial) and to progress on the Group's mission to transform lives by breaking new ground in immunology treatment. To support the Group's execution of its strategy, the Company has conditionally raised £17 million by way of the Subscription and Debt Financing to further support clinical trial development and on-going commercial activities. In particular, the Group intends to use the net proceeds for:

- the balance of Grass MATA MPL G306 pivotal field trial costs. The Company intends to allow patient numbers to increase to 1,200, which will reduce the probability of a trial result not reflecting the underlying performance of the product from 15 per cent. to 10 per cent., thereby de-risking the trial;
- initial funding of Grass MATA MPL G306b safety data base in relation to initial preparation for the trial which is due to start in Q3 2023. This trial reduces the final number of patients needed in the later G307 safety trial which is the last trial before filing for approval of Grass MATA MPL in the United States;
- the balance of the VLP Peanut PROTECT Phase I trial starting in H2 2022. As previously announced on 15 July 2022, complete funding of the trial required further financing;
- IMP batches for VLP Peanut Phase II trial to allow swift progression to Phase II trial, following a successful Phase I trial;
- funding of fixed costs of R&D; and
- initial funding to prepare for entry into the US commercial market for Grass.

#### **4. Current trading and outlook**

As announced on 29 September 2022, the Company reported that revenues for the year ended 30 June 2022 are £72.8 million (2021: £84.3 million) representing a 14 per cent. reduction on a reported basis. This short-term revenue decrease is primarily due to the previously disclosed and planned strategic streamlining of older products to maintain focus on high value and highly differentiated short course subcutaneous immunotherapy (SCIT) and innovative allergy treatments. The operating profit pre-R&D was £3.4 million (2021: £16.9 million) and net loss after tax for the year was £13.8 million (2021: net profit of £2.9 million).

The Group implemented effective cost controls which, alongside the significant clinical progress, have partially offset the revenue reduction. The Group previously announced operating profit pre-R&D for 2022 was impacted due to last minute delays of goods in supply chain of £1.4 million although this was offset by lower R&D expenses created by phasing of work on the two key clinical trials.

With strong performance of the underlying business, the Directors expect sales to return to their previous near double-digit growth levels in 2023, although costs are likely to increase further due to inflation and the end of Covid-19 restrictions relating to travel, allowing a return to scientific conference attendance. There will also be additional investment in the supply chain to maintain regulatory compliance and future expansion.

The Directors believe that commencement of the upcoming Phase III Grass trial and Phase I peanut trial represent two key inflexions points for potentially significant value creation for shareholders and look forward to updating Shareholders in due course.

#### **5. Details of the Transaction**

The Transaction is comprised of (i) the Debt Financing (being the issue of Loan Notes pursuant to the Loan Note Agreement and the issue of Warrants pursuant to the Loan Note Agreement and the Warrant Instrument), and (ii) the Subscription.

The Subscription is conditional on, *inter alia*, the passing of the Subscription Resolutions by the Shareholders at the General Meeting. The Subscription is also conditional on the passing of the Debt Financing Resolutions with respect to the Debt Financing. If the Resolutions are not passed, the Subscription will not complete.

The Debt Financing is conditional on, *inter alia*, the passing of the Debt Financing Resolutions by the Shareholders at the General Meeting. The Debt Financing is also conditional on the passing of the Subscription Resolutions with respect to the Subscription and completion of the Subscription, such that if the Subscription does not complete, the Debt Financing will not complete. If the Resolutions are not passed, the Debt Financing will not complete.

Neither the Subscription nor the Debt Financing has been underwritten.

## **5.1 Loan Notes**

Pursuant to the terms of the Loan Note Agreement, subject to certain conditions including the passing of the Debt Financing Resolutions relating to the issue of the Warrants at the General Meeting, the Company has agreed to issue the Loan Notes (on a unsecured basis) to the Note Purchasers on the Purchase Date in the following principal amounts:

- Southern Fox: £5,000,000; and
- ZQ Capital: £5,000,000.

The Loan Notes will be subject to the terms of the Loan Note Agreement, further details of which are set out in Section A of Part II (*Details of the Debt Financing*) of this document. Issue of the Loan Notes is conditional on the Subscription completing and the passing of the Resolutions at the General Meeting.

## **5.2 Warrants**

Pursuant to the terms of the Loan Note Agreement, subject to certain conditions including the passing of the Resolutions at the General Meeting, the Company has agreed to issue Warrants to subscribe for 33,333,332 Ordinary Shares (representing approximately 5.2 per cent. of the Company's issued share capital as at the Last Practicable Date and 4.9 per cent. of the Enlarged Share Capital following completion of the Subscription) to the Note Purchasers in the following amounts:

- Southern Fox: 16,666,666 Warrants (representing approximately 2.6 per cent. of the Company's issued share capital as at the Last Practicable Date and 2.5 per cent. of the Enlarged Share Capital following completion of the Subscription); and
- ZQ Capital: 16,666,666 Warrants (representing approximately 2.6 per cent. of the Company's issued share capital as at the Last Practicable Date and 2.5 per cent. of the Enlarged Share Capital following completion of the Subscription).

The Warrant Instrument will be entered into by the Company on the Purchase Date and the Warrants will be issued simultaneously with the issue of the Loan Notes on such Purchase Date, which is expected to be on 28 February 2023. The issue of the Warrants is conditional on the issue of the Loan Notes, such that if the Loan Notes are not issued in accordance with the terms of the Loan Note Agreement, the Warrants will not be issued and the whole Debt Financing will not complete.

The Warrants will be subject to the terms of the Loan Note Agreement and the Warrant Instrument, further details of which are set out in Section B of Part II (*Details of the Debt Financing*) of this document. No application will be made for admission of the Warrants to trading on AIM.

## **5.3 Subscription**

Pursuant to the terms of the Subscription Letters, subject to certain conditions including the passing of the Resolutions at the General Meeting, the Subscribers have agreed to subscribe for an aggregate of 35,000,000 Subscription Shares at an Issue Price of 20 pence per Subscription Share in the following amounts:

- Southern Fox: 5,000,000 Subscription Shares (representing approximately 0.8 per cent. of the Company's issued share capital as at the Last Practicable Date and 0.7 per cent. of the Enlarged Share Capital following completion of the Subscription); and
- ZQ Capital (acting through its affiliate SkyGem): 30,000,000 Subscription Shares (representing approximately 4.7 per cent. of the Company's issued share capital as at the Last Practicable Date and 4.4 per cent. of the Enlarged Share Capital following completion of the Subscription).

The Issue Price was determined having regard to market conditions at the time the Subscription Letters were entered into. The Issue Price of 20 pence represents a premium of 8.1 per cent. to the prior day's closing price of 18.5 pence per Ordinary Share.

Completion of the Subscription is conditional on, *inter alia*, the Loan Note Agreement continuing in full force and effect and not having been terminated in accordance with its term; the Resolutions in the Notice of General Meeting being duly passed at the General Meeting; and Admission of the Subscription Shares becoming effective on or before 8.00 a.m. on 19 October 2022 (or the date that is three clear business days following receipt by the Company of the total subscription amounts in accordance with the terms of the Subscription Letters).

The Subscription Shares will be allotted and credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are issued. No fractions of Subscription Shares will be issued.

Application will be made to London Stock Exchange for the Subscription Shares to be admitted to trading on AIM.

## 6. Related Party Transaction

The Note Purchasers have agreed to subscribe for Subscription Shares pursuant to the Subscription and to subscribe for Loan Notes and Warrants in connection with the Debt Financing in the following amounts:

<b>Shareholder</b>	<b>Subscription Shares</b>	<b>Loan Notes</b>	<b>Warrants</b>
Southern Fox	5,000,000	£5,000,000	16,666,666
ZQ Capital (acting through its affiliate SkyGem in relation to the Subscription)	30,000,000	£5,000,000	16,666,666

The subscription by Southern Fox and ZQ Capital (acting through its affiliate SkyGem) for the Subscription Shares pursuant to the Subscription and the Loan Notes and the Warrants in connection with the Debt Financing constitutes a related party transaction for the purposes of the AIM Rules by virtue of Southern Fox and ZQ Capital (together with its affiliates, SkyGem, ZQ Capital Limited and Shen Zheqing) being substantial shareholders (within the meaning of the AIM Rules) of the Company.

Following completion of the Subscription, Southern Fox will have 149,321,539 Ordinary Shares (representing approximately 22.0 per cent. of the Enlarged Share Capital following completion of the Subscription) and Warrants to subscribe for 16,666,666 Ordinary Shares (representing approximately 2.5 per cent. of the Enlarged Share Capital following completion of the Subscription).

Following completion of the Subscription, ZQ Capital (taking into account holdings of SkyGem, ZQ Capital Limited and Shen Zheqing) will have 173,740,037 Ordinary Shares (representing approximately 25.6 per cent. of the Enlarged Share Capital following completion of the Subscription) and Warrants to subscribe for 16,666,666 Ordinary Shares (representing approximately 2.5 per cent. of the Enlarged Share Capital following completion of the Subscription).

The Directors consider, having consulted with the Company's nominated adviser, Panmure Gordon, that the terms upon which Southern Fox and ZQ Capital are participating in the Subscription and the Debt Financing are fair and reasonable insofar as the Company's Shareholders are concerned.

## 7. Authorities and disapplication of pre-emption rights

Section 551 of the Act provides that (subject to certain exceptions) the directors of a company may not allot shares (or grant rights to subscribe for shares) without authority having been granted for such an allotment of shares by its shareholders. The Directors of the Company do not have any existing authorities to allot shares (or grant rights to subscribe for shares). Accordingly, the Directors wish to seek separate authorities from the Shareholders of the Company to allot all the Subscription Shares pursuant to the Subscription and to issue the Warrants in connection with the Debt Financing.

In order for the Directors to issue Subscription Shares for cash pursuant to the Subscription free of statutory pre-emption rights in section 561 of the Act, such statutory pre-emption rights must be dis-applied. The Directors of the Company do not have any existing authorities to allot equity securities on a non-pre-emptive basis. Accordingly, the Directors wish to seek separate authorities to dis-apply pre-emption rights in respect of the allotment of the Subscription Shares pursuant to the Subscription and the issue of Warrants in connection with the Debt Financing.

## **8. General Meeting**

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m. on 17 October 2022. The General Meeting is being held for the purpose of considering and, if thought fit, passing the following resolutions:

**Resolution 1** – an ordinary resolution to authorise the Directors to allot the Subscription Shares up to an aggregate nominal amount of £35,000.

**Resolution 2** – an ordinary resolution to authorise the Directors to issue the Warrants up to an aggregate nominal amount of £33,333.332.

**Resolution 3** – a special resolution to empower the Directors to dis-apply statutory pre-emption rights in respect of the allotment of equity securities (the Subscription Shares) in Resolution 1.

**Resolution 4** – a special resolution to empower the Directors to dis-apply statutory pre-emption rights in respect of the allotment of equity securities (the Warrants) in Resolution 2.

Resolution 3 is conditional upon the passing of Resolution 1. Resolution 4 is conditional upon the passing of Resolution 2.

Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting in Part III (*Notice of General Meeting*) of this document.

## **9. Action to be taken**

The Company requests that all of its Shareholders appoint the chair of the meeting as their proxy and submit their votes via proxy in advance of the meeting. Appointing a proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish. Shareholders may submit their proxy votes online via [www.signalshares.com](http://www.signalshares.com) or may request a paper proxy form from the Registrars, Link Group by calling 0371 664 0300 (if calling from the United Kingdom), or +44 371 664 0300 (if calling from outside of the United Kingdom), or emailing [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk). Shareholders will not automatically receive a form of proxy with this document. Shareholders who are CREST members may submit their CREST Proxy Instructions online via the CREST electronic appointment service. Proxy appointments must be completed by Shareholders and returned as soon as possible but in any event so as to be received by the Registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 11 a.m. on 13 October 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to appoint a proxy on their behalf. Further details of how to register your proxy vote are contained within the notes to the Notice of General Meeting in Part III (*Notice of General Meeting*) of this document.

Persons intending to attend the General Meeting in person will need a QR code to access the meeting venue. Such QR code will need to be displayed on a smartphone or similar device. A QR code will be able

to be obtained in advance by emailing the Registrars, Link Group at [meetingsadvisoryteam@linkgroup.co.uk](mailto:meetingsadvisoryteam@linkgroup.co.uk) with your full name and email address. Persons who have not obtained a QR code in advance will be able to obtain one at the meeting venue.

Only the formal business of the Resolutions will be carried out at the General Meeting. If the Company intends to make any changes to the proposed format of the General Meeting, the Company will notify Shareholders of this, or any other change, as soon as possible via RIS and its website at [www.allergytherapeutics.com](http://www.allergytherapeutics.com).

## **10. Documents available for inspection**

Copies of this document will be available for inspection free of charge at the registered office of the Company during normal business hours on any Business Day and on the Company's website at [www.allergytherapeutics.com](http://www.allergytherapeutics.com). The document will also be available at the location of the General Meeting (being the offices of Covington & Burling LLP at 22 Bishopsgate, London EC2N 4BQ) 15 minutes before the General Meeting.

A Shareholder may request a copy of this document in hard copy form by written request to Sara Goldsbrough at the Company's registered address, by email on [investor.relations@allergytherapeutics.com](mailto:investor.relations@allergytherapeutics.com), or by calling 01903 845 821 or, if calling from overseas, on +44 1903 845 821 between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays).

## **11. Irrevocable undertakings**

As at the Last Practicable Date, the Company has received voting irrevocable undertakings from the following Shareholders to vote in favour of the Resolutions:

- (a) Southern Fox in respect of 144,321,539 Ordinary Shares (representing approximately 22.4 per cent. of the Company's issued share capital as at the Last Practicable Date);
- (b) ZQ Capital (including the interests of SkyGem, ZQ Capital Limited and Shen Zhging) in respect of 143,740,037 Ordinary Shares (representing approximately 22.3 per cent. of the Company's issued share capital as at the Last Practicable Date); and
- (c) Abbott Laboratories (including the interests of Abbott Laboratories (Chile) Holdco SPA and Yissum Holdings Limited) in respect of 240,584,571 Ordinary Shares (representing approximately 37.4 per cent. of the Company's issued share capital as at the Last Practicable Date).

As at the date of this document, the Company has therefore obtained irrevocable undertakings, in aggregate, to vote in favour of the Resolutions in respect of 528,646,147 Ordinary Shares (representing approximately 82.1 per cent. of the Company's issued share capital as at the Last Practicable Date).

The irrevocable undertakings cease to be binding and shall lapse if the General Meeting is not held before 1 November 2022.

## **12. Recommendation**

The Directors believe that the Transaction will promote the success of the Company for the benefit of its Shareholders as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings.

Shareholders are reminded that the Debt Financing and the Subscription are conditional, amongst other things, on the passing of the Resolutions to be proposed at the General Meeting. Should these Resolutions not be passed, the Debt Financing and the Subscription may not proceed.

**Shareholders are strongly urged to vote in favour of the Resolutions. In the event that the Resolutions are not passed, neither the Subscription or the Debt Financing will proceed which will impact the Company's clinical trial programmes and the prospects of the Company.**

Yours faithfully,

**Peter Jensen**  
*Non-Executive Chairman*

**PART II**  
**DETAILS OF THE DEBT FINANCING**  
**SECTION A**  
**THE LOAN NOTE AGREEMENT**

**1. Background**

- 1.1 The Company is party to the Loan Note Agreement between the Company and the Note Purchasers, dated 29 September 2022, pursuant to which the Note Purchasers have agreed to purchase in Sterling the following amounts principal amounts of Loan Notes:

<i><b>Note Purchaser</b></i>	<i><b>Principal amount of Loan Notes</b></i>
Southern Fox	£5,000,000
ZQ Capital	£5,000,000

**2. Repayment**

- 2.1 The Loan Notes are repayable in full on the date falling five (5) years after the Purchase Date.
- 2.2 The Company may at any time after the Purchase Date, by giving the Noteholders not less than five (5) Business Days' written notice, repay (without penalty) the principal amount of all or a portion of the Loan Notes on the date specified in such notice.
- 2.3 The Loan Notes are also repayable on demand, at the option of the Noteholders, in the event of certain standard events of default occurring.

**3. Interest**

- 3.1 Until the Loan Notes are repaid in accordance with the conditions of the Loan Note Agreement, interest on the principal amount of the Loan Notes outstanding from time to time shall accrue at the rate of 8.25 per cent. plus the Bank of England Base Rate per annum.

**4. Information Rights**

- 4.1 The Noteholders have the right to be provided with certain information by the Company but the Company shall not provide to the Noteholders any "inside information" other than (i) at the same time as such information is announced in accordance with applicable law or (ii) where the relevant Noteholder consents in writing to such provision of "inside information" prior to being provided with it.

**5. Transfers**

- 5.1 Subject to certain agreed carve outs, a Noteholder must obtain prior written consent of the Company before it may assign any of its rights in the Loan Notes.

**6. Representations and Warranties**

- 6.1 The Company gives customary representations and warranties in the Loan Note Agreement as at the date of the Loan Note Agreement and as at the Purchase Date.

**7. Governing Law and Jurisdiction**

- 7.1 The Loan Note Agreement is governed by the laws of England and the courts of England Wales have exclusive jurisdiction in relation to disputes.

## SECTION B

### THE WARRANT INSTRUMENT

#### 1. Background

- 1.1 The Company proposes to enter into the Warrant Instrument by way of a deed poll on the Purchase Date, expected to be 28 February 2023, for the purposes of creating Warrants to subscribe for Ordinary Shares. The total number of Ordinary Shares over which Warrants may be issued under the Warrant Instrument is 33,333,332 (representing approximately 5.2 per cent. of the Company's issued share capital as at the Last Practicable Date and 4.9 per cent. of the Enlarged Share Capital following completion of the Subscription).

#### 2. Warrants

- 2.1 Pursuant to the terms of the Loan Note Agreement, the Company shall, subject to certain conditions as set out in the Loan Note Agreement including the passing of the Debt Financing Resolutions at the General Meeting, issue Warrants to subscribe for 33,333,332 Ordinary Shares (representing approximately 5.2 per cent. of the Company's issued share capital as at the Last Practicable Date and 4.9 per cent. of the Enlarged Share Capital following completion of the Subscription) to the persons listed below in the numbers set out against their name:

<b>Warrant Holder</b>	<b>Warrants</b>
Southern Fox	16,666,666
ZQ Capital	16,666,666

#### 3. Key Terms

- 3.1 The Warrant Instrument provides that:
- 3.1.1 each Warrant carries the right to subscribe for one Ordinary Share at an exercise price of 30 pence per Warrant;
- 3.1.2 the Warrants may be exercised in whole or in part at any time from the date of issue of the Warrants in accordance with the Loan Note Agreement (expected to be 28 February 2023) (the "**Earliest Exercise Date**") until 5.00 p.m. on the date falling on the fifth (5th) anniversary of the Earliest Exercise Date (the "**Final Date**"). A failure by any Warrant Holder to exercise the Warrants ahead of 5.00 p.m. on the Final Date shall mean that the Warrants shall immediately lapse and be cancelled;
- 3.1.3 upon any Adjustment Event (as defined in the Warrant Instrument), which includes:
- (a) any allotment or issue of Ordinary Shares out of profits or share premium account or other reserves;
  - (b) any sub-division or consolidation or reclassification of Ordinary Shares;
  - (c) any cancellation or reduction of the Company's share capital, share premium account or capital redemption reserve or any purchase or redemption of Ordinary Shares or instruments or rights convertible into Ordinary Shares; or
  - (d) any increase in the nominal value of Ordinary Shares by way of capitalisation of reserves;

the number and/or nominal value of Ordinary Shares to be subscribed for on any subsequent exercise of the Subscription Rights (as defined in the Warrant Instrument) will be increased or reduced, as the case may be, as the auditors acting as experts and not as arbitrators shall certify as being necessary in order that, after such adjustment, a Warranholder will be in the same economic position as it had been prior to the adjustment and notice of any such adjustment will be sent to each Warranholder within 10 Business Days thereafter; and

- 3.1.4 the Warrants are not transferable except with the prior written consent of the Company, save for a Warrant Holder may freely transfer the Warrants in whole or in part (but not less than 500,000 Warrants per transfer) to any of such Warrant Holder's affiliates upon written notice to the Company.

## PART III

### NOTICE OF GENERAL MEETING

# Allergy Therapeutics plc

*(Incorporated and registered in England and Wales under number 05141592)*

(the “Company”)

Notice is hereby given that a general meeting of the Company will be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ on 17 October 2022 at 11 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 and 4 will be proposed as special resolutions.

### ORDINARY RESOLUTIONS

1. **THAT**, in addition to all existing unexercised authorities and powers granted to the directors of the Company (the “**Directors**”) pursuant to section 551 of the Companies Act 2006 (the “**Act**”), the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to allot ordinary shares of 0.1 pence each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal amount of £35,000 pursuant to the Subscription (as defined in the circular of which this notice forms part (the “**Circular**”)), provided that such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date falling 18 months after the date of this Resolution, save that under this authority the Company may, at any time before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares in pursuance of any such offer or agreement as if this authorisation had not expired or been varied or revoked.
2. **THAT**, in addition to all existing unexercised authorities and powers granted to the Directors pursuant to section 551 of the Act, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to grant rights to subscribe for Ordinary Shares in the Company up to an aggregate nominal amount of £33,333.332 pursuant to the issue of Warrants (as defined in the Circular), provided that such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date falling 18 months after the date of this Resolution, save that under this authority the Company may, at any time before such expiry, make an offer or agreement which would or might require the grant of rights to subscribe for Ordinary Shares (and the allotment of Ordinary Shares on exercise of such rights) after such expiry and the Directors may grant such rights to subscribe for Ordinary Shares (and allot Ordinary Shares on exercise of such rights) in pursuance of any such offer or agreement as if this authorisation had not expired or been varied or revoked.

### SPECIAL RESOLUTIONS

3. **THAT**, subject to the passing of Resolution 1, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by Resolution 1 above as if section 561 of the Act did not apply to any such allotment, provided that such power shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date falling 18 months after the date of this Resolution, save that under this empowerment the Company may, at any time before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this authorisation had not expired or been varied or revoked.
4. **THAT**, subject to the passing of Resolution 2, in addition to the power to be granted under Resolution 3, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the

authority granted by Resolution 2 above as if section 561 of the Act did not apply to any such allotment, provided that such power shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date falling 18 months after the date of this Resolution, save that under this empowerment the Company may, at any time before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this authorisation had not expired or been varied or revoked.

29 September 2022

By order of the Board

**Sara Goldsbrough**  
*Company Secretary*

Allergy Therapeutics plc  
Registered in England and Wales No. 05141592  
Dominion Way  
Worthing  
West Sussex  
BN14 8SA

## Notes

1. The following notes explain your general rights as a shareholder and your rights to attend and vote at the General Meeting or to appoint someone else to vote at the General Meeting on your behalf. Any changes to the arrangements for the holding of the General Meeting will be communicated to shareholders in advance through the Company's website at [www.allergytherapeutics.com](http://www.allergytherapeutics.com).
2. Persons intending to attend the General Meeting in person will need a QR code to access the meeting venue. Such QR code will need to be displayed on a smartphone or similar device. A QR code will be able to be obtained in advance by emailing the Registrars, Link Group at [meetingsadvisoryteam@linkgroup.co.uk](mailto:meetingsadvisoryteam@linkgroup.co.uk) with your full name and email address. Persons who have not obtained a QR code in advance will be able to obtain one at the meeting venue.
3. Shareholders are asked to register their vote in advance by appointing the chair of the meeting as their proxy and giving voting instructions, using the methods, and by the deadline, set out in this Notice. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person.
4. A proxy form can be requested from the Company's Registrars, Link Group, whose contact details are provided in note 17 below. To appoint a proxy using the proxy form, the form must be (i) completed and signed; (ii) sent to the Company's Registrars, Link Group at PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL; and (iii) received by the Company's Registrars no later than 11 a.m. on 13 October 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars, Link Group, whose details can be found in note 17 below.

5. Shareholders can vote electronically via Signal Shares by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions. To register your vote electronically via Signal Shares, visit the website and select "Register an Account" then enter your surname, investor code, postcode and an email address. Create a password and click "Register" to proceed. You will be able to vote immediately by selecting "Proxy Voting" from the menu. You can find your Investor Code ("**IVC**") on your share certificate, or Signal Shares users will find this on the website under 'Manage your account' when logged in to the Signal Shares portal.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 11 a.m. on 13 October 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Company's Registrars, Link Group, whose details can be found in note 17 below. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 4 and 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
11. An abstention (or "vote withheld") option has been included on the proxy form and in the available options for electronic proxy voting. The legal effect of choosing the abstention option on any Resolution is that the shareholder concerned will be treated as not having voted on the relevant Resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each Resolution.
12. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 13 October 2022 (or after close of business on the day which is two days before any adjourned meeting, excluding non-working days) shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
13. As at 28 September 2022, the Last Practicable Date before the publication of the circular to shareholders of which this Notice forms part, the Company's issued share capital comprised 644,104,621 ordinary shares of 0.1 pence each. Each ordinary share carries the right to one vote

at a general meeting of the Company and, therefore, the total number of voting rights in the Company on such date is 644,104,621.

14. Voting on all resolutions will be conducted on a show of hands.
15. Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy.
16. The results of voting on the resolutions will be posted on the Company's website as soon as practicable after the General Meeting.
17. Shareholders who have general queries about the General Meeting should contact the Company's Registrars, Link Group, on 0371 664 0300 or, if calling from overseas, on +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. You can also contact the registrar by email at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk).
18. A copy of this notice of general meeting, is available on the Company's website at [www.allergytherapeutics.com](http://www.allergytherapeutics.com).