

**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the Offer or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisers authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Allergy Therapeutics Shares, please send this document but not the personalised Form of Acceptance (for certificated Allergy Therapeutics Shareholders only) 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 delivery to the purchaser or transferee. However, this document should not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of Allergy Therapeutics Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, directly or indirectly, in, into or from, or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any such jurisdiction.

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## **UNCONDITIONAL MANDATORY CASH OFFER**

by

### **SKYGEM ACQUISITION LIMITED**

*(which is an indirect wholly-owned subsidiary of funds managed by  
ZQ Capital Management Limited)*

for

### **ALLERGY THERAPEUTICS PLC**

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**This document should be read as a whole and in conjunction with the Form of Acceptance (if you hold Allergy Therapeutics Shares in certificated form).**

**The procedure for acceptance of the Offer is set out in paragraph 13 of the letter from SkyGem in Part I of this document and, in respect of certificated Allergy Therapeutics Shares, in the Form of Acceptance. To accept the Offer in respect of certificated Allergy Therapeutics Shares, you must complete and return the Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received by the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom by no later than 1.00 p.m. (London time) on the Closing Date. Acceptances in respect of uncertificated Allergy Therapeutics Shares should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on the on the Closing Date. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.**

Cavendish Capital Markets Limited (“**Cavendish**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to SkyGem and ZQ and no one else in connection with the matters described in this document and will not be responsible to anyone other than SkyGem and ZQ for providing the protections offered to clients of Cavendish or for providing advice in connection with any matter referred to in this document. Neither Cavendish nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cavendish in connection with this document, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Cavendish as to the contents of this document.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser and Rule 3 adviser to Allergy Therapeutics and no one else in connection with the matters described in this document and will not be responsible to anyone other than Allergy Therapeutics for providing the protections offered to clients of Panmure Gordon or for providing advice in connection with any matter referred to in this document. Neither Panmure Gordon nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Gordon in connection with this document, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Panmure Gordon as to the contents of this document.

Certain terms used in this document are defined in Appendix IV to this document.

## IMPORTANT NOTICES

### Overseas jurisdictions

The availability of the Offer to Allergy Therapeutics Shareholders who are not resident in, and citizens of, the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in and citizens of the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Allergy Therapeutics Shareholders who are in any doubt regarding such matters should consult an appropriate independent financial adviser in their relevant jurisdiction without delay. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by SkyGem or required by the Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from, or by the use of the mails of, or by any other means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any such jurisdiction. Accordingly, copies of this document and any other documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction.

This document has been prepared for the purpose of complying with English law, and, *inter alia*, the Code and the AIM Rules and information disclosed may not be the same as that which would have been disclosed if this Offer had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

The Offer is subject to the applicable requirements of the Code and the Panel.

### Notice to US holders of Allergy Therapeutics Shares

The Offer relates to the shares of an English company and is subject to UK procedural and disclosure requirements, which differ from those of the United States. The Offer is extended into the United States in reliance on the "Tier I" exemption pursuant to Rule 14d-1(c) under the Exchange Act, from the requirements of the Exchange Act and the rules and regulations promulgated thereunder. Accordingly, the Offer will be subject to procedural and disclosure requirements, including with respect to withdrawal rights, notices of extensions, announcements of results, settlement procedures and waivers of conditions, which differ in various respects from the requirements and customary practices followed in US domestic tender offers.

The financial information included or referred to herein has been or will be prepared in accordance with accounting standards applicable in the United Kingdom and, accordingly, may not be comparable to financial information of US companies or other companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information included or referred to herein has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

The Offer is being made to US shareholders on the same terms and conditions as those made to all other Allergy Therapeutics Shareholders to whom the Offer is made. All information documents disseminated by SkyGem regarding the Offer will be disseminated to US Allergy Therapeutics Shareholders on a basis comparable to the method pursuant to which those documents are provided to all other Allergy Therapeutics Shareholders.

The receipt of cash pursuant to the Offer by a US shareholder as consideration for the transfer of its Allergy Therapeutics Shares pursuant to the Offer will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws.

Each Allergy Therapeutics Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

Neither the Offer nor this document has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document or the merits of the Offer. Any representation to the contrary is a criminal offence in the United States.

### **Forward-looking statements:**

This document, including the information incorporated by reference in this document, contains certain forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Offer on SkyGem and the Allergy Therapeutics Group, strategic options, the expected timing and scope of the Offer, and all other statements in this document other than historical facts. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “budget”, “schedule”, “forecast”, “project”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, “subject to”, or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond those making the forward-looking statements ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, SkyGem cannot give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this document. SkyGem assumes no obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

### **No profit forecasts or estimates**

No statement in this document, or incorporated by reference into this document, is intended to be or is to be construed as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share or dividend per Allergy Therapeutics Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Allergy Therapeutics Share.

### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Dealing Disclosure Requirements under the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant

securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by the offeror and Dealing Disclosures must also be made by the offeree company, by the offeror or any other offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree company and the offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on website**

A copy of this document, together with all information incorporated into this document by reference to another source and the documents required to be published pursuant to Rule 26 of the Code, is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on ZQ's website at [http://www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and Allergy Therapeutics' website at <http://www.allergytherapeutics.com/disclaimer>, by no later than 12 noon (London time) on the Business Day following the date of this document. The contents of the websites referred to in this document are not incorporated into and do not form part of this document.

### **Requesting hard copy documents**

Pursuant to Rule 30.3 of the Takeover Code, a person so entitled may request a copy of this document and all information incorporated by reference to another source in hard copy form by contacting the Receiving Agent during business hours on 0371 664 0321 (or if calling from outside the UK +44 371 664 0321) or by submitting a request in writing to the Receiving Agent at Link Group or by submitting a request in writing to Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL. Calls from within the UK are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested.

**Information relating to Allergy Therapeutics Shareholders**

Please be aware that addresses, electronic addresses and certain other information provided by Allergy Therapeutics Shareholders, persons with information rights and other persons for the receipt of communications from Allergy Therapeutics may be provided to SkyGem during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code.

The date of publication of this document is 19 October 2023.

## TO ACCEPT THE OFFER:

1. If you hold your Allergy Therapeutics Shares in certificated form (that is, not in CREST), you should complete the Form of Acceptance in accordance with paragraph 13(b) of the letter from SkyGem in Part I of this document. Return the completed Form of Acceptance (along with any share certificate(s) and/or other document(s) of title) using, if posted in the UK, the first class reply-paid envelope provided as soon as possible and, in any event, so as to be received by 1.00 p.m. (London time) on the closing date (or such later date as SkyGem may notify as the final Closing Date of the Offer). The Form of Acceptance is personalised. If you have recently purchased or been transferred Allergy Therapeutics Shares, please contact the Receiving Agent by telephoning the helpline, details of which are set out below, to obtain a replacement document.
2. If you hold your Allergy Therapeutics Shares in CREST, you should follow the procedures set out in paragraphs 13(f) to 13(i) of the letter from SkyGem in Part I of this document.

### **THE LATEST TIME AND DATE BY WHICH THE OFFER CAN BE ACCEPTED IS 1.00 P.M. LONDON TIME ON THE CLOSING DATE.**

If you have any questions relating to this document, or the completion and return of the Form of Acceptance, or if you want to request a hard copy of this document (and/or any information incorporated by reference into it by reference to another source) please telephone the Receiving Agent, Link Group, on +44 (0)371 664 0321. Calls from within the UK are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

This page should be read in conjunction with the rest of the document. Your attention is drawn, in particular, to paragraph 13 of the letter from SkyGem in Part I of this document, which sets out in detail the procedures for acceptance of the Offer, and to the further terms of the Offer set out in Appendix I to this document and, if you hold your Allergy Therapeutics Shares in certificated form, in the Form of Acceptance.

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 duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS<sup>(1)</sup>

| <b>Event</b>  | <b>Time and/or date</b>                                   |
|---|---|
| Publication and posting of this document and the Form of Acceptance   | 19 October 2023   |
| Latest time and date by which the Offer can be accepted   | 1.00 p.m. (London time) on 9 November 2023 <sup>(2)</sup> |
| Settlement of consideration to Allergy Therapeutics Shareholders who accept the Offer prior to the Closing Date | On or before 23 November 2023                             |

*Notes:*

- (1) Certain dates and times given are indicative only and are based on current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be announced via a Regulatory Information Service.
- (2) SkyGem reserves the right (but shall not be obliged, other than as may be required by the Takeover Code) at any time or from time to time to extend the Offer after such time.

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## PART I

### LETTER FROM SKYGEM TO ALLERGY THERAPEUTICS SHAREHOLDERS

# SKYGEM ACQUISITION LIMITED

*(a private company with limited liability incorporated in England and Wales with registered number 11286999)*

*Directors:*

Zheqing Shen  
Kai Yuan

*Registered Office:*

Suite 1, 7th Floor 50 Broadway,  
London, United Kingdom, SW1H 0BL

*To Allergy Therapeutics Shareholders and, for information only, to participants in the Allergy Therapeutics Long Term Share Incentive Plan 2013, other holders of outstanding options and persons with information rights*

Dear Shareholder,

### UNCONDITIONAL MANDATORY CASH OFFER FOR ALLERGY THERAPEUTICS GROUP BY SKYGEM

#### 1. Introduction

On 16 October 2023, following completion of the Equity Financing, SkyGem acquired 2,676,556,439 Allergy Therapeutics Shares at a price of 1 pence in cash per Allergy Therapeutics Share. As a result, SkyGem, and persons acting in concert with it, now holds 2,850,296,476 Allergy Therapeutics Shares, representing 59.96 per cent. of the Allergy Therapeutics Shares and voting rights.

As a consequence of SkyGem's interest in Allergy Therapeutics Shares exceeding 30 per cent. of the issued share capital of the Allergy Therapeutics following completion of the Equity Financing, SkyGem is required, pursuant to Rule 9 of the Takeover Code, to make a mandatory cash offer (the "**Offer**") for the Allergy Therapeutics Shares not already held by SkyGem (or any persons acting in concert with it), at a price of 1 pence per Allergy Therapeutics Share. As SkyGem's holding of Allergy Therapeutics Shares already carries more than 50 per cent. of the voting rights of Allergy Therapeutics, the Offer is unconditional from the outset.

This document, its appendices and, if you hold Allergy Therapeutics Shares in certificated form, the Form of Acceptance, together contain the formal Offer (including its terms and conditions).

Please read carefully paragraph 13 of this Part I which sets out the procedure for acceptance of the Offer. The Offer will remain open for acceptance until 1.00 p.m. on the Closing Date. Your attention is drawn, in particular, to the further terms of the Offer set out in Appendix I to this document and, if you hold certificated Allergy Therapeutics Shares, in the Form of Acceptance.

#### 2. The Offer

SkyGem hereby offers to acquire, on the terms set out in Appendix I to this document and, in the case of Allergy Therapeutics Shares held in certificated form, the Form of Acceptance, all of the issued and to be issued Allergy Therapeutics Shares not already held by SkyGem (and persons acting in concert with it) on the following basis:

#### **1 pence in cash for each Allergy Therapeutics Share**

The cash consideration implies a value of approximately £47.91 million for the issued and to be issued share capital (excluding warrants) of Allergy Therapeutics. The Offer represents:

- a discount of 23 per cent. to the closing price of 1.30 pence per Allergy Therapeutics Share on 18 October 2023 (being the latest practicable date before the publication of this document); and

- a discount of 84 per cent. to the closing price of 6.25 pence per Allergy Therapeutics Share on 5 April 2023 (being the last Business Day prior to the commencement of the Offer Period).

Allergy Therapeutics Shares acquired from Allergy Therapeutics Shareholders who accept the Offer will be acquired fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other third party rights or interest of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the rights to receive and retain in full all dividends and distributions (if any) announced, declared, made or paid with a record date on or after the date of this document.

If, on or after the date of this document, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Allergy Therapeutics Shares, SkyGem reserves the right to reduce the consideration payable under the terms of the Offer by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the Offer will be deemed to be a reference to the consideration as so reduced. Any exercise by SkyGem of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Allergy Therapeutics Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

Further details of the terms of the Offer are set out in Part B and Part C of Appendix I to this document.

### **3. Irrevocable undertaking**

SkyGem has received an irrevocable undertaking from Southern Fox not to accept the Offer in respect of its holding of 1,307,377,398 Allergy Therapeutics Shares, representing 27.50 per cent. of the Allergy Therapeutics Shares and voting rights. As a result of this, SkyGem will not be able to reach the 90 per cent. threshold of acceptances in relation to the Offer that would enable it to 'squeeze out' minority shareholders in accordance with section 979 of the Companies Act. The irrevocable undertaking will lapse (i) on the earlier of (x) 6 January 2024 and (y) the date of G306 Trial Failure (as such term is defined in the Equity Commitment Agreement) or (ii) such other date as SkyGem and Southern Fox may agree in writing.

### **4. Information on SkyGem and ZQ**

SkyGem, a private company limited by shares incorporated in England and Wales in 2018, was established for the purposes of ZQ acquiring an interest in Allergy Therapeutics Shares. SkyGem is not a trading company and since incorporation has not engaged in any activities save for transactions relating to the Offer for Allergy Therapeutics Shares. SkyGem is an indirect wholly-owned subsidiary of funds managed by ZQ.

ZQ is a fast-growing private equity investment firm in Asia. Since its inception in 2016, ZQ has sourced, executed and exited over US\$500 million of investments with a strong track record. With seven investment professionals based in Hong Kong, Shanghai and Singapore, ZQ focusses on long-term investment and partnering with mature global businesses with promising growth potential and capable of delivering steady cashflow in less volatile markets, such as healthcare and consumer products.

ZQ's founder, Mr. Zheqing (Simon) Shen, has over a decade of professional experience in investment banking and private equity investment. Prior to founding ZQ, he was Managing Director and Head of China Financial Institutions Group at Barclays. Mr Shen's previous experience also includes working as an investment banker for Goldman Sachs in both its New York and Hong Kong offices, having advised many corporations globally in connection with their capital markets and M&A activities. Mr Shen has extensive knowledge of capital markets and wide connections with entrepreneurs and corporations in Asia and serves as a director on the boards of several public companies in the US, Europe and Asia.

Mr. Shen is also a non-executive director of Allergy Therapeutics, having been appointed to the board on 6 December 2022.

ZQ's team of investment professionals have decades of combined investment and deal-making experience in Europe, the US and Asia, across a range of sectors including healthcare, consumer, TMT and environmental-related services.

## 5. Background to and reasons for the Offer

On 4 October 2022, Allergy Therapeutics announced a pause in production at its Freeman facility, part of its Worthing, UK manufacturing site. This followed an internal review of Allergy Therapeutics' current operating processes to improve the robustness of its quality systems and build capacity across its manufacturing facilities. As a result of the manufacturing pause occurring during a period of peak production prior to the start of the pollen season, Allergy Therapeutics' sales for the financial year ended 30 June 2023 were £61.0 million, a 16 per cent. reduction compared to £72.8 million in 2022. The pause in manufacturing caused a material gap in funding which resulted in Allergy Therapeutics entering into the Loan Facility with SkyGem (acting via SkyGem International Holdings Limited) and Southern Fox.

Following a thorough internal review of the Allergy Therapeutics business by Allergy Therapeutics' management, and careful consideration of the potential funding options and other strategic alternatives that are available to the Allergy Therapeutics Board, the Allergy Therapeutics Board announced that it believes Allergy Therapeutics' portfolio of products and clinical pipeline remain highly valuable and that, accordingly, it was in the best interests of Allergy Therapeutics and Allergy Therapeutics Shareholders to continue to fund the ongoing operations of the business via the Loan Facility. SkyGem was (and remains) fully supportive of the Allergy Therapeutics Board's conclusion and was willing to fund Allergy Therapeutics' short term cash needs through the Loan Facility.

Details of the Loan Facility and the Equity Financing were contained in the Financing Announcement announced by Allergy Therapeutics on 6 April 2023. The final outstanding condition to the Equity Financing, being Admission, was satisfied on 16 October 2023. The proceeds of the Equity Financing have been used to repay the amounts owed under the Loan Facility Agreement (including principal amounts drawn and accrued interest and fees) and Equity Commitment Agreement. The Loan Facility was used to refinance £10 million of loan notes issued to ZQ and Southern Fox on 28 February 2023, to facilitate the continuation of the Allergy Therapeutics Group's G306 Trial, to continue other key clinical trial activities including the Peanut Phase I PROTECT Trial and to finance trading and provide working capital.

On 26 September 2023, Allergy Therapeutics entered into an amendment to the Loan Facility Agreement with SkyGem (acting via SkyGem International Holdings Limited) and Southern Fox (the "**Extension Facility**") pursuant to which, subject to completion of the Equity Financing, the repayment of all amounts due under the Loan Facility in full and the grant of the Additional Security, SkyGem and Southern Fox have agreed, on an uncommitted basis, to make available to Allergy Therapeutics an additional total principal sum of up to £15 million (the "**Additional Facility Amount**"). Under the Extension Facility, the Additional Facility Amount may be drawn by Allergy Therapeutics during the period to 31 January 2024 with a minimum drawdown amount of £3 million per utilisation, and interest of 18 per cent. per annum shall be payable on any such amounts drawn. A drawdown under the Extension Facility shall require the consent of SkyGem and Southern Fox and as such the Additional Facility Amount does not represent committed funding. The Extension Facility must be repaid in full by 31 December 2025. To provide security for any amounts drawn under the Extension Facility, the existing security package under the Loan Facility Agreement will remain in place following repayment of the Facility on or around completion of the Equity Financing and the Additional Security will be granted. Allergy Therapeutics is responsible for the fees, costs and expenses of SkyGem and Southern Fox in connection with the Extension Facility up to a cap of £50,000, but otherwise there are no associated commitment, underwriting or other fees payable by Allergy Therapeutics.

Notwithstanding the Equity Financing, the Allergy Therapeutics Board anticipates that additional funding will be required during November 2023 onwards for trading, working capital, capital expenditure and continuing research and development programmes including the G306 Trial which is currently scheduled for interim data read out in or around November 2023. This requirement may be extended into early 2024 subject to further cost control initiatives, working capital management and timing and volume of sales in the quarter to 31 December 2023. Discussions with certain shareholders are ongoing regarding the size and source of future funding. These discussions continue to be positive. Whilst there are no binding arrangements at this stage, Allergy Therapeutics has entered into the Extension Facility, although this does not represent committed funding.

SkyGem has been a shareholder in Allergy Therapeutics since 2019, having made regular acquisitions of Allergy Therapeutics Shares. Throughout its tenure as a shareholder, SkyGem has, and still holds the belief that Allergy Therapeutics has the potential to become one of the most prominent allergy immunotherapy companies globally, and accordingly, has sought to be supportive towards management in the strategic ambitions of Allergy Therapeutics, including advancing Allergy Therapeutics' products into the US market.

Notwithstanding the Extension Facility, SkyGem acknowledges the fact that any risk to adequate funding being secured over the near-term will likely present extreme challenges to the viability and future prospects of Allergy Therapeutics' business and may result in a material loss of shareholder value. Consequently, SkyGem agreed to participate in the Equity Financing (and the Extension Facility) to provide the necessary capital Allergy Therapeutics needs to endure this period of financial difficulty and to continue Allergy Therapeutics' clinical trials programme (in particular, the pivotal G306 Trial). A pause, or a negative outcome, in these trials would have both direct and indirect adverse impacts on Allergy Therapeutics and its future commercial prospects.

As a result of the completion of the Equity Financing, SkyGem is required to make a mandatory offer for the Allergy Therapeutics Shares not already held by SkyGem (or any persons acting in concert with it) at a price of 1 pence per share.

## **6. Financing of the Offer**

The cash consideration payable by SkyGem pursuant to the Offer will be financed by existing cash resources available to entities under common control with ZQ which have been transferred to SkyGem. Holders of options pursuant to the Allergy Therapeutics Long Term Share Incentive Plan 2013 will be contacted regarding the effect of the mandatory offer on their rights under the Allergy Therapeutics Long Term Share Incentive Plan 2013.

Cavendish as financial adviser to SkyGem, confirms that it is satisfied that sufficient resources are available to SkyGem to enable it to satisfy in full the cash consideration payable to Allergy Therapeutics Shareholders in the event of full acceptance of the Offer.

## **7. Rule 9.5 dispensation and Rule 2.4(c)(iii) clarification**

The Offer is being made in accordance with Rule 9 of the Code as a consequence of SkyGem's subscription for 2,676,556,439 shares pursuant to the Equity Financing.

ZQ (acting through SkyGem) subscribed for 30,000,000 new Allergy Therapeutics Shares at a price of 20 pence per share on 19 October 2022, as set out in Allergy Therapeutics' announcement of 29 September 2022 entitled "Subscription and Debt Financing". This subscription was made prior to any consideration of the Offer and prior to Allergy Therapeutics' voluntary pause in production and the consequent deterioration in Allergy Therapeutics' financial position and prospects.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer. With the agreement of Allergy Therapeutics, SkyGem has received a dispensation from the Panel Executive in respect of the minimum price of the Offer and pursuant to Note 3 to Rule 9.5, such that it may be made at the price of 1 pence per Allergy Therapeutics Share and the circumstances set out above. This price is the same as the Issue Price of the Equity Financing.

## **8. Dividends**

If, on or after the date of this document, any dividend and/or other distribution or form of capital return is announced, declared, made or paid by Allergy Therapeutics or becomes payable in respect of Allergy Therapeutics Shares, SkyGem reserves the right to reduce the consideration payable under the terms of the Offer at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital. If any such dividend and/or distribution and/or return of capital occurs, any reference in this document to the consideration payable under the Offer will be deemed to be a reference to the consideration as so reduced. In such circumstances, Allergy Therapeutics Shareholders would be entitled to retain any such dividend, distribution or form of capital return declared, made or paid. To the extent that any such dividend, distribution and/or form of capital return is authorised, declared, made or paid or is payable and it is (i) transferred pursuant to the Offer on a basis which entitles SkyGem to receive the dividend, distribution or return of value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by SkyGem of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.

## **9. Intentions of SkyGem**

### ***Intentions for the future business of Allergy Therapeutics***

SkyGem intends to continue to support Allergy Therapeutics' existing business plan and foresees no significant changes to it. In addition, SkyGem intends to continue to be financially supportive such that Allergy Therapeutics' growth and earning potential is optimized going forward.

Furthermore, SkyGem believes its key relationships and capabilities within Asia can unlock additional value for Allergy Therapeutics due to the access it provides to key markets for Allergy Therapeutics' products.

### ***Intentions for headquarters, locations, fixed assets and research and development***

SkyGem does not intend to make any changes to Allergy Therapeutics' business (including its research and development function) or broader strategic plans, or locations and places of business (including its headquarters and headquarters functions) and does not intend to redeploy any of Allergy Therapeutics' fixed assets.

### ***Intentions for management and employees***

SkyGem attaches great importance to the skills and experience of the employees and management team of Allergy Therapeutics and its subsidiaries and consequently, SkyGem does not intend to cause Allergy Therapeutics or its subsidiaries to effect any material change with regard to: (i) the continued employment of its employees and managers and (ii) the conditions of employment or balance of skills and functions of the management of Allergy Therapeutics or its subsidiaries.

### ***Intentions for existing rights and end of service benefits***

SkyGem intends that, following completion of the Offer, the existing contractual and employment rights (including Allergy Therapeutics' pension schemes) of Allergy Therapeutics' management and employees will be respected in accordance with applicable law. SkyGem does not intend to make any material changes to the terms and conditions of Allergy Therapeutics' pension schemes, including the employer contributions, accrual of benefits for existing members or the rights of admission of new members.

### ***Intentions for management incentivisation arrangements***

SkyGem has not entered into, and has not discussed, any form of incentivisation arrangements with members of Allergy Therapeutics' management. SkyGem intends to put in place incentive arrangements for certain members of the Allergy Therapeutics management team following completion of the Offer.

### ***Intentions for trading facilities***

SkyGem recognises the benefits to Allergy Therapeutics and Allergy Therapeutics Shareholders of a public market listing and supports Allergy Therapeutics' continuing admission to AIM. Therefore, SkyGem does not intend to procure that Allergy Therapeutics makes an application to cancel trading in Allergy Therapeutics Shares on AIM.

### ***Post-offer undertakings***

No statements in this paragraph 9 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## **10. Allergy Therapeutics Long Term Share Incentive Plan 2013**

The Offer will extend to all issued Allergy Therapeutics Shares which are unconditionally allotted and/or issued and fully paid (or credited as fully paid) before the Offer closes other than the Allergy Therapeutics Shares held by ZQ. This will include any Allergy Therapeutics Shares arising pursuant to the exercise of options under the Allergy Therapeutics Long Term Share Incentive Plan 2013.

The Offer is subject to valid acceptances being received from Allergy Therapeutics Shareholders but is not subject to any minimum level of acceptance and is therefore unconditional.

In accordance with Rule 15 of the Takeover Code, holders of options pursuant to the Allergy Therapeutics Long Term Share Incentive Plan 2013 will be contacted regarding the effect of the mandatory offer on their

rights under the Allergy Therapeutics Long Term Share Incentive Plan 2013. Holders of outstanding options granted pursuant to the Allergy Therapeutics Long Term Share Incentive Plan 2013 (the “Options”) will have until 9 November 2023 in which to exercise their Options (being the date on which the Offer closes) if they decide to accept the Offer. If the Options are exercised after 9 November 2023, holders of such Options may only exercise such Options until 16 November 2023 and hold the underlying Allergy Therapeutics Shares they acquire on exercise. The Options will lapse following 16 November 2023 and shall no longer be capable of being exercised and the holders of such Options shall have no further rights to the underlying Allergy Therapeutics Shares.

## **11. United Kingdom taxation**

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences relating to the Offer. They are based on current UK tax law and what is understood to be the current practice of HMRC (which may not be binding on HMRC) as at the date of this document, both of which may change, possibly with retroactive effect.

The following statements apply only to Allergy Therapeutics Shareholders who are resident (and in the case of individuals domiciled) for tax purposes in (and only in) the United Kingdom and do not have a permanent establishment, branch or agency (or equivalent) in any other jurisdiction with which the holding of their Allergy Therapeutics Shares is connected, and in the case of individuals to whom “split year” treatment does not apply, who hold their Allergy Therapeutics Shares as an investment (other than where a tax exemption applies, for example in an individual savings account or pension arrangement) and who are the absolute beneficial owner of both the relevant Allergy Therapeutics Shares and any dividends paid on them. The tax position of certain categories of Allergy Therapeutics Shareholders who are subject to special rules is not considered and it should be noted that those Allergy Therapeutics Shareholders may incur liabilities to UK tax on a different basis to that described below. This includes persons who have acquired (or could be treated for tax purposes as having acquired) their Allergy Therapeutics Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, charities, exempt pension funds and temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK.

**The statements do not address all possible tax consequences of the Offer and, in particular, do not cover the tax position of holders of options under the Allergy Therapeutics Long Term Share Incentive Plan 2013. The statements summarise the current UK tax position and are intended as a general guide only.**

**Allergy Therapeutics Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own professional advisers.**

### **(a) UK taxation of chargeable gains**

The transfer of Allergy Therapeutics Shares under the Offer in return for cash should be treated as a disposal or, if the Offer is only accepted in respect of part of a holding of Allergy Therapeutics Shares and SkyGem does not exercise any right it may have to acquire compulsorily all Allergy Therapeutics Shares, a part disposal, of the Allergy Therapeutics Shareholder’s Allergy Therapeutics Shares for the purposes of UK capital gains tax or corporation tax on chargeable gains (as applicable). This disposal or part disposal may, depending on the Allergy Therapeutics Shareholder’s circumstances (including the Allergy Therapeutics Shareholder’s base cost in their holding of Allergy Therapeutics Shares) and subject to any available exemption, allowance or relief (such as the annual exempt amount for individuals), give rise to a liability to UK capital gains tax or UK corporation tax on chargeable gains, or an allowable capital loss.

#### *Individual Allergy Therapeutics Shareholders*

Subject to any available exemptions, reliefs or allowances, gains arising on a disposal of Allergy Therapeutics Shares by an individual Allergy Therapeutics Shareholder will be subject to UK capital gains tax at the rate of 10 per cent. or 20 per cent. for the 2023/24 tax year depending on the individual’s personal circumstances, including other taxable income and gains in the relevant tax year. The capital gains tax annual exempt amount may be available to individual Allergy Therapeutics

Shareholders to offset against chargeable gains realised on the disposal of their Allergy Therapeutics Shares. This amount is £6,000 for the 2023/2024 tax year.

#### *Corporate Allergy Therapeutics Shareholders*

Subject to any available exemptions, reliefs or allowances, gains arising on a disposal of Allergy Therapeutics Shares by an Allergy Therapeutics Shareholder, within the charge to UK corporation tax, will be subject to UK corporation tax on chargeable gains in respect of the disposal. The rate of corporation tax for the 2023/2024 tax year is currently 25 per cent. for companies with profits of more than £250,000, whilst a rate of 19 per cent. will apply to companies with profits not exceeding £50,000 (with marginal relief applying to profits between £50,000 and £250,000). For such UK Allergy Therapeutics Shareholders, indexation allowance (calculated up to 31 December 2017) may be available to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of their Allergy Therapeutics Shares.

(b) **Stamp duty and stamp duty reserve tax**

No UK stamp duty or stamp duty reserve tax should be payable by Allergy Therapeutics Shareholders on the transfer of their Allergy Therapeutics Shares under the Offer.

## **12. Overseas Shareholders**

The attention of Overseas Shareholders (and any person, including without limitation, any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Offer outside the United Kingdom) is drawn to paragraph 7 of Part B and to paragraph (b) of Part C of Appendix I to this document (for holders of Allergy Therapeutics Shares in certificated form) and to paragraphs (b), (c) and (d) of Part D of Appendix I to this document (for holders of Allergy Therapeutics Shares in uncertificated form) and, in respect of certificated Allergy Therapeutics Shares, to the relevant provisions of the Form of Acceptance.

In addition, the release, publication or distribution of this document and/or any other documentation in relation to the Offer in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements.

Unless otherwise determined by SkyGem or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from, or by the use of the mails of, or by any other means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any such jurisdiction. Accordingly, copies of this document and any other documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction.

## **13. Procedure for acceptance of the Offer**

This section should be read in conjunction with Appendix I to this document and, in respect of certificated Allergy Therapeutics Shares, the notes on the Form of Acceptance.

Holders of Allergy Therapeutics Shares in certificated form (i.e., not in CREST) may only accept the Offer in respect of such shares by completing and returning the Form of Acceptance in accordance with the procedure set out in paragraphs 13(a) to 13(c) below. Holders of Allergy Therapeutics Shares held in certificated form, but under different designations, should complete a separate Form of Acceptance for each designation. Additional Forms of Acceptance are available from the Receiving Agent at the address set out below in paragraph 13(c).

Holders of Allergy Therapeutics Shares in uncertificated form (i.e. in CREST) may only accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out in paragraphs 13(f) to 13(i) below. If those Allergy Therapeutics Shares are held under different member account IDs, you should send a separate TTE instruction for each member account ID.

**If you are in any doubt as to the procedure for acceptance, please telephone the Receiving Agent, Link Group, during business hours on 0371 664 0321 (or if calling from outside the UK +44 371 664 0321). Calls from within the UK are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

#### **ALLERGY THERAPEUTICS GROUP SHARES HELD IN CERTIFICATED FORM (I.E. NOT IN CREST)**

(a) ***To accept the Offer***

To accept the Offer in respect of Allergy Therapeutics Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. You should complete a separate Form of Acceptance for Allergy Therapeutics Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from the Receiving Agent at the address set out below in paragraph 13(c). The instructions for completing a Form of Acceptance below apply, where relevant, to each separate Form of Acceptance to be completed by you.

(b) ***Completing the Form of Acceptance***

To accept the Offer in respect of your Allergy Therapeutics Shares, you must complete Box 1, Box 2A or Box 2B (as applicable) and Box 3 (if appropriate) on the Form of Acceptance. In all cases you must sign Box 2 on the Form of Acceptance including, if you are an individual, in the presence of a witness, who should also sign in accordance with the instructions printed on it. Any Allergy Therapeutics Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it. **If you do not insert a number in Box 1 or insert a number greater than your registered holding of Allergy Therapeutics Shares, your acceptance will be deemed to be in respect of all Allergy Therapeutics Shares held by you in certificated form.**

(c) ***Return of Form of Acceptance***

To accept the Offer, the completed Form of Acceptance must be returned, together with your share certificate(s) and/or other document(s) of title for your Allergy Therapeutics Shares, to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or (during normal business hours) by hand as soon as possible and in any event so **as to be received by no later than 1.00 p.m. (London time) on the Closing Date.** A first reply paid envelope is provided for your convenience and may be used by Allergy Therapeutics Shareholders for returning a Form of Acceptance from within the UK. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to SkyGem or its agents to have been sent from a Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 12 above.

(d) ***Share certificates not readily available or lost***

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should still be completed, signed and returned as stated above so as to arrive by no later than 1.00 p.m. (London time) on the Closing Date. You should send any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificate(s)

and/or other document(s) of title. You should submit the relevant share certificate(s) and/or other document(s) of title as soon as possible. No acknowledgement of receipt of document(s) will be given.

If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Allergy Therapeutics' Registrars, contacting Link Group, at Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephoning +44 (0)371 664 0321 or by emailing [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk), to obtain a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Receiving Agent as set out in paragraph 13(c) above. Calls from within the UK are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(e) **Validity of acceptances**

Without prejudice to Part C and Part D of Appendix I to this document, subject to the provisions of the Takeover Code, SkyGem reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to SkyGem have been received.

## **ALLERGY THERAPEUTICS GROUP SHARES HELD IN UNCERTIFICATED FORM (I.E. IN CREST)**

(f) **General**

If your Allergy Therapeutics Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Allergy Therapeutics Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Link Group (in its capacity as a CREST participant under the Escrow Agent's participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE instruction settles not later than 1.00 p.m. (London time) on the Closing Date. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph 13(f) will (subject to satisfying the requirements set out in Part C and Part D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Allergy Therapeutics Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Allergy Therapeutics Shares.

After settlement of a TTE instruction, you will not be able to access the Allergy Therapeutics Shares concerned in CREST for any transaction or charging purposes. Upon closing of the Offer, the Escrow Agent will transfer the Allergy Therapeutics Shares concerned to itself in accordance with paragraph (f) of Part D of Appendix I to this document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Allergy Therapeutics Shares to settle prior to 1.00 p.m. (London time) on the Closing Date. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(g) **To accept the Offer**

To accept the Offer in respect of Allergy Therapeutics Shares held in uncertificated form, you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Allergy Therapeutics Shares (this is GB00B02LCQ05);
- the number of Allergy Therapeutics Shares (in uncertificated form) in respect of which you wish to accept the Offer (i.e. the number of Allergy Therapeutics Shares to be transferred to escrow);
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent (this is RA10);
- the member account ID of the Escrow Agent for the Offer (this is SKYALL01);
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on the Closing Date;
- the corporate action numbers of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

(h) **Validity of acceptances**

A Form of Acceptance which is received in respect of Allergy Therapeutics Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Allergy Therapeutics Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the Closing Date if it has settled on or before 1.00 p.m. (London time) on that date.

(i) **Overseas shareholders**

The attention of Allergy Therapeutics Shareholders holding Allergy Therapeutics Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part B and paragraphs (b), (c) and (d) of Part D of Appendix I to this document.

## **GENERAL**

SkyGem will make an appropriate announcement if any of the details contained in this paragraph 13 change for any reason.

Normal CREST procedures (including timings) apply in relation to any Allergy Therapeutics Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Allergy Therapeutics Shares or otherwise). Holders of Allergy Therapeutics Shares who are proposing so to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. (London time) on the Closing Date.

**If you are in any doubt as to the procedure for acceptance, please telephone the Receiving Agent, Link Group, on +44 (0)371 664 0321. Calls from within the UK are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded**

**that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

#### **14. Settlement**

Settlement of the consideration to which any Allergy Therapeutics Shareholder is entitled under the Offer will be effected in the case of acceptances received, complete in all respects, by the date on which the Offer is closed, within 14 days of such date:

(a) ***Allergy Therapeutics Shares in certificated form (i.e. not in CREST)***

Where an acceptance relates to Allergy Therapeutics Shares in certificated form, settlement of any cash due will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Allergy Therapeutics Shareholders or their appointed agents (but not into a Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

(b) ***Allergy Therapeutics Shares in uncertificated form (i.e. in CREST)***

Where an acceptance relates to Allergy Therapeutics Shares in uncertificated form, the cash consideration to which the accepting Allergy Therapeutics Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Allergy Therapeutics Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. SkyGem reserves the right to settle all or any part of the consideration referred to in this paragraph 14(b) for all or any accepting Allergy Therapeutics Shareholder(s), in the manner referred to in paragraph 14(a), if, for any reason, it wishes to do so.

(c) ***General***

All remittances, communications, notices, certificates and documents of title sent by, to or from Allergy Therapeutics Shareholders or their appointed agents will be sent at their own risk.

#### **15. Further information**

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your Allergy Therapeutics Shares are in certificated form, to the Form of Acceptance which should be read in conjunction with this document.

A copy of this document (and all information incorporated into this document by reference to another source) and the Form of Acceptance are and will be available, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, for inspection on ZQ's website at [http://www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and Allergy Therapeutics' website at <http://www.allergytherapeutics.com/disclaimer>.

#### **16. Action to be taken**

**To accept the Offer in respect of certificated Allergy Therapeutics Shares you must complete the Form of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) or other document(s) of title to the Receiving Agent at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or by hand (during normal business hours only), as soon as possible, but in any event so as to arrive by no later than 1.00 p.m. (London time) on the Closing Date. Acceptances in respect of uncertificated Allergy Therapeutics Shares should be made electronically through CREST so that the TTE instruction settles not later than 1.00 p.m. (London time) on the Closing Date.**

Yours faithfully,

Zheqing Shen

**SkyGem Acquisition Limited**

## PART II

### LETTER FROM THE CHAIR ON BEHALF OF THE ALLERGY THERAPEUTICS INDEPENDENT DIRECTORS

# ALLERGY THERAPEUTICS PLC

*(a public company with limited liability incorporated in England and Wales with registered number 05141592)*

Peter Jensen (*Non-Executive Chairman*)  
Manuel Llobet (*Chief Executive Officer*)  
Cheryl MacDiarmid (*Independent Non-Executive Director*)  
Tunde Otulana (*Independent Non-Executive Director*)  
Anthony Parker (*Non-Executive Director*)  
Mary Tavener (*Independent Non-Executive Director*)

*Registered Office:*  
Dominion Way  
Worthing  
West Sussex  
BN14 8SA

19 October 2023

*To Allergy Therapeutics Shareholders and, for information only, to participants in the Allergy Therapeutics Long Term Share Incentive Plan 2013, other holders of outstanding options and persons with information rights*

Dear Shareholder,

### **UNCONDITIONAL MANDATORY CASH OFFER FOR ALLERGY THERAPEUTICS GROUP BY SKYGEM**

#### **1. Introduction**

On 16 October 2023, following completion of the Equity Financing, SkyGem acquired 2,676,556,439 Allergy Therapeutics Shares at a price of 1 pence per Allergy Therapeutics Share. SkyGem, and persons acting in concert with it, are now interested in 2,850,296,476 Allergy Therapeutics Shares, representing 59.96 per cent. of the voting rights of Allergy Therapeutics.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

As a consequence of SkyGem acquiring a further interest in Allergy Therapeutics Shares pursuant to the Equity Financing, SkyGem's interest in Allergy Therapeutics Shares exceeds 30 per cent. of the voting rights of Allergy Therapeutics. SkyGem is therefore required, pursuant to Rule 9 of the Takeover Code, to make a mandatory cash offer for the Allergy Therapeutics Shares not already held by SkyGem, or any persons acting in concert with it.

**Given that SkyGem has a holding of Allergy Therapeutics Shares carrying more than 50 per cent. of the voting rights of the Allergy Therapeutics, the Offer is unconditional from the outset.**

SkyGem, a private company limited by shares incorporated in England and Wales in 2018, was established for the purposes of ZQ acquiring an interest in Allergy Therapeutics Shares. SkyGem is not a trading company and since incorporation has not engaged in any activities save for transactions relating to the Offer for Allergy Therapeutics Shares. SkyGem is an indirect wholly-owned subsidiary of funds managed by ZQ. Further information relating to SkyGem and ZQ can be found in paragraph 4 of Part I of this document.

The purpose of this letter is to explain the background to the Offer and the view of the Allergy Therapeutics Independent Directors with regard to the Offer. The formal Offer, and the action you may take in order to accept the Offer, should you wish to do so, is set out in Part I of this document.

## **2. Summary of the terms and structure of the Offer**

Under the Offer, SkyGem offers to acquire, on the terms set out in Appendix I to this document and, in the case of Allergy Therapeutics Shares held in certificated form, the Form of Acceptance, all of the issued and to be issued Allergy Therapeutics Shares not already held by SkyGem on the following basis:

### **1 pence in cash for each Allergy Therapeutics Share**

The cash consideration implies a value of approximately £47.91 million for the fully diluted share capital of Allergy Therapeutics. The Offer represents:

- a discount of 23 per cent. to the closing price of 1.30 pence per Allergy Therapeutics Shares on 18 October 2023 (being the latest practicable date before the publication of this document); and
- a discount of 84 per cent. to the closing price of 6.25 pence per Allergy Therapeutics Share on 5 April 2023 (being the last Business Day prior to the commencement of the Offer Period).

As a consequence of SkyGem's interest in Allergy Therapeutics Shares exceeding 30 per cent. of the voting rights of Allergy Therapeutics following completion of the Equity Financing, SkyGem is required, pursuant to Rule 9 of the Takeover Code, to make the Offer for the Allergy Therapeutics Shares not already held by SkyGem (or any persons acting in concert with it).

The Offer Price of 1 pence per Allergy Therapeutics Share, is equal to the issue price per new ordinary share pursuant to the Equity Financing. The issue price relating to the Equity Financing had been determined having regard to Allergy Therapeutics' immediate financing and capital requirements. The Equity Financing was deemed to be the only viable route to refinance the Loan Facility given Allergy Therapeutics' structure and on-going funding requirements. The Equity Financing raised gross proceeds of approximately £40.75 million and the net proceeds were used towards repayment of the principal amounts outstanding, accrued interest and fees under the Loan Facility Agreement. Following completion of the Equity Financing, all amounts outstanding under the Loan Facility have been repaid in full.

The Offer extends to all Allergy Therapeutics Shares which are in issue at the date of this document and any Allergy Therapeutics Shares which may be unconditionally allotted and/or issued and fully paid before the Offer closes (other than any Allergy Therapeutics Shares already held by SkyGem and persons acting in concert with it).

If, on or after the date of this document, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Allergy Therapeutics Shares, SkyGem reserves the right to reduce the consideration payable under the terms of the Offer by an amount up to the amount of such dividend and/or distribution and/or return of capital (save as to the extent any such dividend and/or distribution and/or return of capital is to be received by or on behalf of SkyGem), in which case any reference in this document to the consideration payable under the Offer will be deemed to be a reference to the consideration as so reduced. Any exercise by SkyGem of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer. In such circumstances, Allergy Therapeutics Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

The Offer is subject to further terms set out in Appendix I of this document.

Allergy Therapeutics Shares acquired from Allergy Therapeutics Shareholders who accept the Offer will be acquired fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other third party rights or interest of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the rights to receive and retain in full all dividends and distributions (if any) announced, declared, made or paid with a record date on or after the date of this document.

### ***Rule 9.5 dispensation***

On 19 October 2022, ZQ (acting through SkyGem) subscribed for 30,000,000 new Allergy Therapeutics Shares at a price of 20 pence per share, as set out in Allergy Therapeutics' announcement of 29 September 2022 entitled "Subscription and Debt Financing". The new shares acquired represented approximately 4 per

cent. of Allergy Therapeutics' share capital, as enlarged by the subscription. The purchase was entirely of new Allergy Therapeutics Shares and no preferential exit was provided to any Allergy Therapeutics Shareholder. This price of 20 pence per is the highest price paid by ZQ for Allergy Therapeutics Shares in the 12 months preceding the Offer.

On 28 October 2022, Allergy Therapeutics announced a short-term voluntary pause in production during a peak period, resulting in a considerable deterioration in Allergy Therapeutics' financial position and prospects. On 3 January 2023, trading in Allergy Therapeutics Shares on AIM was suspended at a price of 6.25 pence per Allergy Therapeutics Share after Allergy Therapeutics had been unable to comply with its obligation under the AIM Rules to publish audited accounts for the year to 30 June 2022 within six months of that date, primarily due to Allergy Therapeutics requirement for additional funding to finalise its accounts on a 'going concern' basis.

In April 2023, following a thorough review of the business and careful consideration of the potential funding options available and other strategic alternatives, the Allergy Therapeutics Board concluded the Loan Facility, provided by ZQ and Southern Fox, along with associated Equity Financing was the only viable source of significant near-term funding available in the quantum and timeframe required.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer. However, in light of Allergy Therapeutics' immediate financing and capital requirements, the Allergy Therapeutics Board determined the circumstances of Allergy Therapeutics had materially changed since the highest price paid by ZQ of 20 pence per Allergy Therapeutics Share. Accordingly, with the agreement and support of the Allergy Therapeutics Board, SkyGem received a dispensation from the Panel Executive in respect of the minimum price of the Offer and pursuant to Note 3 to Rule 9.5, such that it may be made at the price of 1 pence per Allergy Therapeutics Share in the circumstances set out above and in line with the Equity Financing.

### **3. Information relating to Allergy Therapeutics**

Allergy Therapeutics is an international commercial biotechnology company, headquartered in the UK, focussed on the treatment and diagnosis of allergic disorders, including aluminium free immunotherapy vaccines. The Allergy Therapeutics Group sells proprietary and third-party products from its subsidiaries in seven major European countries and via distribution agreements in an additional ten countries. Its broad pipeline of products in clinical development includes therapies for grass, trees and house dust mite, and peanut. The Allergy Therapeutics Group sells both injectable and sublingual (oral) allergen-specific immunotherapies. The most commonly prescribed are those for the treatment of pollen-related allergies, particularly for allergies to grasses, weeds and trees. The therapies trade under various brand names depending on the market, e.g., Pollinex Quattro, Polligoid and TA Gräser Top. The Allergy Therapeutics Directors believe the company's products are differentiated by their ultra-short and short course treatment nature and vaccine approach.

### **4. Allergy Therapeutics Current Trading and Prospects**

The short-term pause in manufacturing production that occurred during October and November 2022 (the "Manufacturing Pause") caused a material gap in funding which resulted in Allergy Therapeutics entering into the Loan Facility Agreement. The Loan Facility (of up to £40.75 million) was used to repay the £10.0 million of loan notes issued to ZQ and Southern Fox in February 2023, and to fund working capital, capital expenditure and continuing to finance the Allergy Therapeutics Group's clinical pipeline which the Allergy Therapeutics Board believes remains highly valuable. In conjunction with the Loan Facility, Allergy Therapeutics also entered into the Equity Commitment Agreement to raise gross proceeds of not less than £40.75 million which, following completion of the Equity Financing, has been used towards repayment of the principal amounts outstanding, accrued interest and fees thereon under the Loan Facility.

On 26 September 2023, Allergy Therapeutics entered into an amendment to the Loan Facility Agreement with the SkyGem (acting via SkyGem International Holdings Limited) and Southern Fox (the "Extension Facility") pursuant to which, subject to completion of the Equity Financing, the repayment of all amounts due under the Loan Facility in full and the grant of the Additional Security, SkyGem and Southern Fox have agreed, on an uncommitted basis, to make available to Allergy Therapeutics an additional total principal

sum of up to £15 million (the “Additional Facility Amount”). Under the Extension Facility, the Additional Facility Amount may be drawn by Allergy Therapeutics during the period to 31 January 2024 with a minimum drawdown amount of £3 million per utilisation, and interest of 18 per cent. per annum shall be payable on any such amounts drawn. A drawdown under the Extension Facility shall require the consent of SkyGem and Southern Fox and as such the Additional Facility Amount does not represent committed funding. The Extension Facility must be repaid in full by 31 December 2025. To provide security for any amounts drawn under the Extension Facility, the existing security package under the Loan Facility Agreement will remain in place following repayment of the Loan Facility on or around completion of the Equity Financing and the Additional Security will be granted. Allergy Therapeutics is responsible for the fees, costs and expenses of SkyGem and Southern Fox in connection with the Extension Facility up to a cap of £50,000, but otherwise there are no associated commitment, underwriting or other fees payable by the Allergy Therapeutics.

In the unaudited preliminary results for the year ended 30 June 2023, announced on 27 September 2023, Allergy Therapeutics announced revenue of £61.0 million (2022: £72.8 million) with the reduction in revenues against the prior financial year attributed to the Manufacturing Pause. The operating loss pre-R&D and exceptional costs was £13.3 million (2022: profit of £3.4 million). The operating loss reflects the significant reduction in revenue and ongoing programme of continuous improvement across the supply chain and quality systems, together with higher manufacturing and labour costs during the period. The full year net loss of £51.0 million (2022: net loss of £13.8 million) reflects the reduction in revenue, increase in research and development costs and exceptional funding costs. The Allergy Therapeutics Group had a cash balance of £14.8 million at 30 June 2023 (2022: £20.5 million) following a partial draw down of the Loan Facility of £26.0 million to provide ongoing support for the Allergy Therapeutics Group’s two key clinical trials.

As a result of the manufacturing capacity that needs to be allocated to producing investigational medicinal product batches for use in clinical trials, as previously reported, sales for the financial year to 30 June 2024 are expected to be slightly lower than for the year ended 30 June 2023, while costs and overheads before R&D costs are expected to be slightly higher. The planned investment in clinical trials for the G306 Trial, long-term G308 Grass MATA MPL paediatric study and the Phase I VLP PROTECT study will result in a very significant increase in research and development costs, subject to funding. A further increase in investment in plant and equipment is also planned to support the continuing improvements in manufacturing and quality.

Notwithstanding the Equity Financing, the Allergy Therapeutics Board anticipates that additional funding will be required during November 2023 onwards for trading, working capital, capital expenditure and continuing R&D programmes including the G306 Trial which is currently scheduled for interim data read out in or around November 2023. This requirement may be extended into early 2024 subject to further cost control initiatives, working capital management and timing and volume of sales in the quarter to 31 December 2023. Discussions with certain shareholders are ongoing regarding the size and source of future funding. These discussions continue to be positive. Whilst there are no binding arrangements at this stage, Allergy Therapeutics has entered into the Extension Facility, although this does not represent committed funding.

## **5. The Allergy Therapeutics Independent Directors**

Zheqing (Simon) Shen, non-executive director of Allergy Therapeutics, founded ZQ in 2016 and subsequently SkyGem, a wholly owned subsidiary of funds managed by ZQ, in 2018 for the purposes of ZQ acquiring an interest in Allergy Therapeutics Shares. Accordingly, Zheqing (Simon) Shen has not participated in the appraisal of the Offer as he cannot be considered independent in relation to the Offer.

The Allergy Therapeutics Board, therefore, constituted a committee of the remaining Allergy Therapeutics Directors (the “Allergy Therapeutics Independent Directors”) consisting of one executive director, two non-executive directors and three independent non-executive directors for the purposes of carefully evaluating the Offer.

## **6. Background to and views of the Allergy Therapeutics Independent Directors on the Offer**

The requirement for the Equity Financing arose in April 2023 following the Manufacturing Pause, which led to a material reduction in revenue and which, combined with increased manufacturing and regulatory costs and continued investment in clinical trials, led to a need for significant additional near-term funding for Allergy Therapeutics.

At that time the Allergy Therapeutics Board had undertaken a thorough review of the business and carefully considered the potential funding options available and other strategic alternatives. The Allergy Therapeutics Board concluded that it believed the Allergy Therapeutics Group's portfolio of products and clinical pipeline remain highly valuable and that accordingly, it was in the best interests of Allergy Therapeutics and Allergy Therapeutics Shareholders to continue to finance these until at least readout from the G306 Trial, representing the next value inflection point for the business. The Allergy Therapeutics Board concluded at that time that the Loan Facility along with associated Equity Financing (at an issue price of 1 pence per Allergy Therapeutics Share) was the only viable source of significant near-term funding available in the quantum and timeframe required.

Full details of the Loan Facility, which provided immediate funding to Allergy Therapeutics in April 2023, and the associated Equity Financing, to enable repayment of the Loan Facility but which was conditional upon shareholder approval and certain foreign direct investment clearances, was announced on 6 April 2023.

Following satisfaction of the conditions related to Equity Financing on 16 October 2023, in conjunction with completion of the Equity Financing, SkyGem subscribed for 2,676,556,439 Allergy Therapeutics Shares at a price of 1 pence per Allergy Therapeutics Share. As a consequence, SkyGem, and persons acting in concert with it, now holds 2,850,296,476 Allergy Therapeutics Shares, representing 59.96 per cent. of the voting rights of Allergy Therapeutics. As a result, SkyGem are required to make a mandatory cash offer for the Allergy Therapeutics Shares not already held by SkyGem, or any persons acting in concert with it, pursuant to Rule 9 of the Takeover Code.

### ***Financial terms of the Offer***

In evaluating the financial terms of the Offer, which reflects a nil premium to the issue price for the Equity Financing being 1 pence per Allergy Therapeutics Share, Panmure Gordon do not consider the terms of the Offer to be fair and reasonable on the basis that the Offer price of 1 pence per Allergy Therapeutics Shares represents a 23 per cent. discount to the closing price per Allergy Therapeutics Share as at the Last Practical Date. Additionally, the Offer does not reflect the potential value of Allergy Therapeutics' future products and revenue prospects, however, these prospects are subject to a number of significant near-term risks, in particular:

- Allergy Therapeutics will require additional funding during November 2023 onwards for trading, working capital, capital expenditure and continuing R&D programmes. The planned investment in clinical trials including the G306 Trial, long-term G308 Grass MATA MPL paediatric study and Phase I VLP PROTECT study will result in a very significant increase in research and development costs, subject to funding. A further increase in investment in plant and equipment is also planned to support the continuing improvements in manufacturing and quality. There are currently no binding commitments in place for additional funding; and
- the G306 Trial is currently scheduled for interim data read out in or around November 2023. Whilst the Allergy Therapeutics Group is optimistic of a successful readout, there is no guarantee that the trial will be successful. In the event that the G306 Trial result is not positive, Allergy Therapeutics will be unable to support a clinical registration of Grass MATA MLP in Germany under the TAV (Therapy Allergy Ordinance) regulatory framework and it is likely that Allergy Therapeutics would have to withdraw the Grass MATA MPL product from the market in Germany and may potentially also impact other markets and products using the same platform including MATA MPL mixes (grass and trees). This would have a very significant impact on Allergy Therapeutics' sales and prospects in Europe and the US.

As a consequence of the significant and material factors and circumstances above, the Allergy Therapeutics Independent Directors have considered both the significant advantages and disadvantages of the Offer, further details of which are set out below, including the future prospects and funding requirements of the business, SkyGem's intentions, as set out in the paragraph 9 of Part I of this document, and importantly the circumstances which have led to the Offer whereby the Offer is unconditional and does not require a minimum level of acceptance.

**Accordingly, the Allergy Therapeutics Independent Directors are not making any recommendation to Allergy Therapeutics Shareholders as to whether or not they should elect for the Offer. Allergy Therapeutics Shareholders should consider whether the Allergy Therapeutics Shares remain a suitable investment in light of their own personal circumstances and investment objectives, noting the non-exhaustive list of risks that Allergy Therapeutics is subject to, and the advantages**

**and disadvantages of the Offer outlined below. If Allergy Therapeutics Shareholders are in any doubt as to what action they should take, they should seek their own independent professional advice. The intentions of the Allergy Therapeutics Directors in respect of the Offer are set out in paragraph 8 in this Part II of this document.**

In providing its financial advice to the Allergy Therapeutics Independent Directors, Panmure Gordon has taken into account the commercial assessments of the Allergy Therapeutics Independent Directors. Panmure Gordon is providing independent financial advice for the Allergy Therapeutics Independent Directors for the purpose of Rule 3 of the Takeover Code.

***Reasons why you may want to accept the Offer (Advantages of the Offer)***

Allergy Therapeutics is subject to numerous risks including but not limited to significant near term and long-term additional funding requirements; clinical trial risks; regulatory and commercialisation risks. There is no guarantee that any products currently in clinical development will be successfully commercialised. In particular, the G306 Trial is currently scheduled for interim data read out in or around November 2023. The exact timing and outcome of the trial is currently uncertain. In the event of G306 Trial Failure, not only will this have a very material impact on the ability to enter new markets (e.g. the US) but it is likely to have a material impact on existing revenue streams with the potential for Grass MATA MPL, which is currently sold on a named patient basis and which currently accounts for a significant portion of Allergy Therapeutics' revenue, to be withdrawn from the market.

**The Offer presents an opportunity for Allergy Therapeutics Shareholders to realise their Allergy Therapeutics Shares in cash at a fixed price and they will no longer be exposed to such risks.**

Further detail on the key risks and other investment considerations in connection with owning Allergy Therapeutics Shares is as follows:

- Notwithstanding the Equity Financing, the Allergy Therapeutics Board anticipates that additional funding will be required during November 2023 onwards for trading, working capital, capital expenditure and continuing R&D programmes including the G306 Trial which is currently scheduled for interim data read out in or around November 2023. This requirement may be extended into early 2024 subject to further cost control initiatives, working capital management and timing and volume of sales in the quarter to 31 December 2023. Discussions with certain shareholders are ongoing regarding the size and source of future funding. These discussions continue to be positive. Whilst there are no binding arrangements at this stage, Allergy Therapeutics has entered into the Extension Facility, although this does not represent committed funding. There is no guarantee that any such additional funding needed in the short term will be obtained on terms acceptable to Allergy Therapeutics or at all.
- Allergy Therapeutics is currently loss making and incurs significant research and development costs. In addition to the short-term funding need described above, Allergy Therapeutics will require very significant funds to progress and/or complete clinical development of its programmes relating to Grass MATA MPL, VLP Peanut and Birch MATA MPL as well as prepare for commercialisation activities and potential entry into new markets and to provide working capital on an ongoing basis. There can be no guarantee that the necessary funds will be available when required or on acceptable terms and any such additional funding may include further indebtedness with a related security package against the assets of Allergy Therapeutics and/or licensing of key intellectual property. The availability of long-term funding for Allergy Therapeutics is likely to be subject to the success of current and future clinical trials, including the G306 Trial and the Peanut Phase I PROTECT Trial.
- If additional funds are raised through the issue of new equity or equity-linked securities of Allergy Therapeutics other than on a pre-emptive basis to then existing Allergy Therapeutics Shareholders, the percentage ownership of those who are not invited to participate in the issue of new equity may be substantially diluted, reducing other Allergy Therapeutics Shareholders' influence and voting rights in Allergy Therapeutics.
- SkyGem, as a new controlling shareholder, has, following completion of the Equity Financing, a substantial influence over Allergy Therapeutics, and its interests may not be aligned with the interests of the other Allergy Therapeutics Shareholders. SkyGem may take actions that are not in the best interests of other Allergy Therapeutics Shareholders including, *inter alia*, supporting a future non-pre-emptive issue of equity securities.

- Allergy Therapeutics has implemented a number of improvements in its quality and manufacturing procedures and arrangements, some of which are ongoing. There is no guarantee that these will be sufficient to avoid quality and/or manufacturing issues in the future. Future material quality and/or manufacturing issues could have a material impact on the prospects of Allergy Therapeutics.
- The future performance of the business and potential value of the Allergy Therapeutics Shares that an investor may be able to realise is uncertain. As a result of the Equity Financing, the total number of Allergy Therapeutics Shares not in public hands is equal to 87.62 per cent. of the outstanding Allergy Therapeutics Shares. The percentage of Allergy Therapeutics Shares not in public hands will increase to the extent that Allergy Therapeutics Shareholders elect to take the Offer which will further reduce the liquidity of the Allergy Therapeutics Shares, which may have an adverse effect on the future share price of Allergy Therapeutics.
- There can be no certainty or guarantee as to the performance of Allergy Therapeutics following completion of the Offer. Allergy Therapeutics Shareholders who do not participate in the Offer will continue to be subject to risks associated with Allergy Therapeutics and the industry in which it operates.

### ***Reasons why you may not want to accept the Offer***

- Accepting the Offer removes any economic exposure to Allergy Therapeutics. Allergy Therapeutics Shareholders who do not accept the Offer will continue to hold Allergy Therapeutics Shares which provides the opportunity to participate in possible future value creation that may ultimately deliver greater value to Allergy Therapeutics Shareholders than the Offer as a result of Allergy Therapeutics current and pipeline products. Allergy Therapeutics sells proprietary and third-party products from its subsidiaries in seven major European countries and via distribution agreements in an additional ten countries. Its broad pipeline of products in clinical development includes therapies for grass, trees and house dust mite, and peanut and in the year ended 30 June 2023 the Allergy Therapeutics Group generated revenue of £61.0 million. A positive readout for the G306 Trial should pave the way forward for additional product registrations and regulatory approvals in new territories, including potentially in the United States (although this cannot be guaranteed). Allergy Therapeutics also notes ZQ's interests in the Asia market which could provide a significant opportunity for the group subject to any required additional clinical trial and regulatory requirements in those markets. Allergy Therapeutics' innovative peanut allergy vaccine candidate, VLP Peanut, alone has the potential (subject to continued successful clinical trials and regulatory approvals) to be a significant product in the \$27.2 billion worldwide food allergy market. The Allergy Therapeutics Independent Directors believe that the Offer price of 1 pence per Allergy Therapeutics Share materially undervalues the potential value of Allergy Therapeutics' assets.
- The price of the Offer represents a 23 per cent. discount to Allergy Therapeutics' closing share price on the Last Practicable Date.
- Whilst Allergy Therapeutics has highlighted that it anticipates additional funding will be required during November 2023 onwards (although Allergy Therapeutics is working on initiatives which, if successful, may extend that requirement into early 2024), and further significant additional funding will be required to continue current and future clinical trial programmes and for commercialisation of Allergy Therapeutics products, SkyGem, as outlined in paragraph 9 of Part I headed "Intentions of SkyGem", intends to continue to be financially supportive such that Allergy Therapeutics' growth and earning potential is optimised going forward. Whilst there are no binding arrangements in place currently for additional financing (save for the Extension Facility, which does not represent committed funding), the Allergy Therapeutics Independent Directors consider that these intention statements reduce the future funding uncertainty of Allergy Therapeutics.
- SkyGem has received an irrevocable undertaking from Southern Fox not to accept the Offer. Southern Fox holds 27.50 per cent. of Allergy Therapeutics' enlarged share capital following the Equity Financing, preventing SkyGem from reaching the 90 per cent. threshold that would enable it to 'squeeze out' minority shareholders in accordance with section 979 of the Companies Act.
- As mentioned in paragraph 9 of Part I headed "Intentions of SkyGem", SkyGem recognises the benefits to Allergy Therapeutics and its shareholders of a public market listing and supports Allergy Therapeutics' continuing admission to trading on AIM. This gives Allergy Therapeutics Shareholders

the opportunity to sell the Allergy Therapeutics Shares on a public market at a preferred future time, such as after the result of the G306 Trial

## **7. Views of the Allergy Therapeutics Independent Directors on SkyGem intentions for Allergy Therapeutics**

The Takeover Code requires the Allergy Therapeutics Independent Directors to give their views on the effect of the implementation of the Offer on all of Allergy Therapeutics' interests, including, specifically, their views on SkyGem's strategic plans for Allergy Therapeutics and their likely repercussions on the employment and the locations of Allergy Therapeutics' places of business.

The Independent Directors welcome SkyGem's confirmation, as set out in the paragraph 9 of Part I of this document, that it intends to make no significant changes to Allergy Therapeutics' existing business plan, locations and places of business (including Allergy Therapeutics' headquarters and headquarters functions), as a result of the Offer and also that there is no intention to redeploy any of Allergy Therapeutics' fixed assets.

Similarly, the Allergy Therapeutics Independent Directors also welcome SkyGem's confirmation that it has no intention to cause Allergy Therapeutics to effect any material change with regard to: (i) the continued employment of its employees and managers; and (ii) the conditions of employment or balance of skills and functions of the employees and management of Allergy Therapeutics, in each case as a result of the Offer.

Furthermore, the Allergy Therapeutics Independent Directors welcome SkyGem's confirmation that it does not intend to make any alterations to the existing contractual and employment rights (including Allergy Therapeutics' pension schemes and associated terms and conditions) of Allergy Therapeutics' management and employees and that these will be respected in accordance with applicable law.

The Allergy Therapeutics Independent Directors particularly welcome SkyGem's confirmation that it does not intend to procure that Allergy Therapeutics makes an application to cancel trading in Allergy Therapeutics Shares on the AIM.

The Allergy Therapeutics Independent Directors note that, at the end of the period of 12 months from the date on which the Offer Period ended, SkyGem will be required under the Takeover Code to: (i) confirm in writing to the Panel whether it has taken, or not taken, the course of action it stated in paragraph 9 of Part I of this document that it intended to take, or not to take; (ii) publish that confirmation in accordance with the requirements of Rule 30.1 of the Takeover Code. Additionally, the Allergy Therapeutics Independent Directors note that if SkyGem, during the period of 12 months from the date on which the Offer Period ended, decides either (i) to take a course of action different from its stated intentions in paragraph 9 of Part I of this document; or (ii) not to take a course of action which it had stated it intended to take in paragraph 9 of Part I of this document, SkyGem must consult the Panel. Except with the consent of the Panel, if such course of action is then taken or not taken, SkyGem must promptly make an announcement describing the course of action it has taken, or not taken, and explaining its reasons for taking, or not taking, that course of action.

## **8. Intentions of Directors**

The Allergy Therapeutics Directors who are interested in Allergy Therapeutics Shares have confirmed their intention to reject or procure rejection of the Offer in respect of 7,490,000 Allergy Therapeutics Shares. Manuel Llobet, who holds 1,676,200 Allergy Therapeutics Share Options (being the only Allergy Therapeutics Director who holds Allergy Therapeutics Share Options) has confirmed his intent to exercise those Allergy Therapeutics Share Options and thereafter reject the Offer in respect of the Allergy Therapeutics Shares allotted on such exercise. These firm intentions, whilst not binding, together represent, in aggregate, approximately 0.19 per cent. of the issued and to be issued share capital of Allergy Therapeutics as at the Latest Practicable Date.

In addition, SkyGem has received an irrevocable undertaking from Southern Fox not to accept the Offer. Southern Fox holds 1,307,377,398 Allergy Therapeutics Shares, representing 27.50 per cent. of the Allergy Therapeutics Shares and voting rights.

The irrevocable undertaking will lapse (i) on the earlier of (x) 6 January 2024 and (y) the date of G306 Trial Failure (as such term is defined in the Equity Commitment Agreement) or (ii) such other date as SkyGem and Southern Fox may agree in writing.

In total, therefore, (taking into account those Allergy Therapeutics Share Options in respect of which irrevocable undertakings have been given to exercise those options and thereafter reject the Offer in respect of the Allergy Therapeutics Shares allotted as a result of such exercise), SkyGem has received irrevocable undertakings to reject the Offer in respect of 1,307,377,398 Allergy Therapeutics Shares, representing in aggregate, approximately 27.50 per cent. of the issued and to be issued share capital as at the Latest Practicable Date.

Further details of the irrevocable undertakings are set out in paragraph 6 of Appendix II to this document.

## **9. Allergy Therapeutics Shareholders Share Plans**

The Offer will extend to any Allergy Therapeutics Shares not already held by SkyGem and to any Allergy Therapeutics Shares unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as SkyGem may, subject to the rules of the Takeover Code or with the consent of the Panel, decide), including Allergy Therapeutics Shares issued pursuant to the exercise of options granted under the Allergy Therapeutics Plc Long Term Incentive Plan 2013 (the "Plan").

Participants in the Plan will be contacted in due course regarding the effect of the Offer on their outstanding options under the Plan, and, where relevant, appropriate proposals will be made in respect of their options in accordance with Rule 15 of the Takeover Code.

Options outstanding under the Plan are vested in accordance with their terms and are already exercisable as any holding period that applied was waived in connection with the Equity Financing. Therefore, holders of outstanding options under the Plan will be able to exercise the options at the exercise price of £0.001 per Allergy Therapeutics Share and choose to accept the Offer or not.

In accordance with the change of control resulting from completion of the Equity Financing, as explained to option holders in the letters dated 22 September 2023, any options which are not exercised by 16 November 2023 will lapse and shall not longer be capable of being exercised regardless of whether the Offer is accepted or not.

Manuel Llobet, who holds 1,676,200 Allergy Therapeutics Share Options (being the only Allergy Therapeutics Director who holds Allergy Therapeutics Share Options) has confirmed his intent to exercise those Allergy Therapeutics Share Options and thereafter reject the Offer in respect of the Allergy Therapeutics Shares allotted on such exercise.

## **10. Taxation**

The attention of Allergy Therapeutics Shareholders is drawn to paragraph 11 of Part I to this document which sets out a general guide on certain United Kingdom taxation based on current legislation and practice. If you are in any doubt as to your tax position, you should consult an appropriate independent professional adviser immediately.

## **11. Overseas Shareholders**

Allergy Therapeutics Shareholders who are not resident in the United Kingdom or who are citizens or nationals of other countries should refer to paragraph 12 of Part I of this document.

## **12. Action to be taken by Allergy Therapeutics Shareholders**

Allergy Therapeutics Shareholders should read this document in its entirety before deciding what action, if any, to take.

**TO REJECT THE OFFER YOU NEED TO TAKE NO ACTION.**

**TO ACCEPT THE OFFER YOU SHOULD FOLLOW THE PROCEDURE FOR ACCEPTANCE OF THE OFFER, AS SET OUT IN SECTION 16 OF PART I OF THIS DOCUMENT AND, IF YOU HOLD YOUR ALLERGY THERAPEUTICS SHARES IN CERTIFICATED FORM, IN THE FORM OF ACCEPTANCE.**

If you are in any doubt as to the procedure for acceptance of the Offer, please contact the Receiving Agent, Link Group, Corporate Actions on +44 (0)371 664 0321. 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. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully

Peter Jensen

*On behalf of the Allergy Therapeutics Independent Directors*

**Allergy Therapeutics plc**

## **APPENDIX I**

### **PART A**

#### **CONDITIONS OF THE OFFER**

1. The Offer is unconditional from the outset and is therefore not subject to the satisfaction of any condition.
2. The Offer is governed by English law and be subject to the further terms set out in this Appendix I and the Form of Acceptance. The Offer is subject to the applicable rules, regulations and requirements of the Financial Conduct Authority, the Panel, the AIM Rules for Companies and the Code.
3. Any Allergy Therapeutics Shares acquired by SkyGem in connection with the Offer will be acquired fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this document.
4. If, on or after the date of this document any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Allergy Therapeutics Shares, SkyGem reserves the right to reduce the consideration payable under the terms of the Offer for the Allergy Therapeutics Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles SkyGem to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph. Any exercise by SkyGem of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
5. The Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer is not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

**PART B**  
**FURTHER TERMS OF THE OFFER**

The following further terms and conditions apply to the Offer, unless the contrary is expressed or the context requires otherwise.

Unless the context requires otherwise, any reference in Part B or Part C or Part D of this Appendix I and in the Form of Acceptance:

- (a) to “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (b) to “**as may be required by the Code**” includes as may be required by the Panel; and
- (c) to the “**Offer**” includes any revision, variation, renewal or extension of the Offer and includes any election available in connection with the Offer.

**1. Offer timetable and acceptance period**

- (a) The Offer will initially be open for acceptance until 1.00 p.m. (London time) on the Closing Date.
- (b) The Offer will remain open for not less than 21 days from the date of this document and SkyGem will give at least 14 days’ notice before the Offer is closed to those Allergy Therapeutics Shareholders who have not accepted the Offer (and to persons with information rights).

**2. Announcements**

- (a) Except with the Panel’s consent, SkyGem shall make an announcement as described in paragraph 3(b) of this Part B by 8.00 a.m. (London time) on the Business Day following each of the following dates (or such other time(s) or date(s) as the Panel may require or consent to):
  - (i) the Closing Date; and
  - (ii) any day on which, as at 5.00 p.m. (London time), the total percentage of shares which SkyGem may count towards satisfaction of an acceptance condition (if there were such a condition) has increased or decreased to, or through, 75 per cent. of the shares carrying voting rights in Allergy Therapeutics.
- (b) The announcements referred to in paragraph 3(a) of this Part B will state (unless otherwise permitted by the Panel):
  - (i) the number of Allergy Therapeutics Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with SkyGem or in respect of Allergy Therapeutics Shares which were subject to an irrevocable commitment or a letter of intent procured by SkyGem or any person acting in concert with SkyGem);
  - (ii) details of any relevant securities of Allergy Therapeutics in which SkyGem or any person acting in concert with it has an interest or in respect of which either of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
  - (iii) details of any relevant securities of Allergy Therapeutics in respect of which SkyGem or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
  - (iv) details of any relevant securities of Allergy Therapeutics which SkyGem or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will in each case specify the percentage of each class of relevant securities of Allergy Therapeutics represented by each of these figures.

- (c) In calculating the number of Allergy Therapeutics Shares represented by acceptances and/or purchases, there may at SkyGem's discretion, be included or excluded for announcement purposes, subject to paragraph 6 of this Part B of Appendix I, acceptances and purchases which are not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification.
- (d) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of SkyGem include the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service.
- (e) Unless otherwise consented to by the Panel: (i) an announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service; and (ii) an announcement which is published at a time when the relevant Regulatory Information Service is not open for business shall be distributed to not less than two newswire services operating in the UK and submitted for publication as soon as the relevant Regulatory Information Service re-opens.
- (f) A copy of any announcement made by SkyGem in accordance with paragraph 6 of this Part B will be available, subject to certain restrictions relating to persons outside the UK, for inspection on ZQ's website at [www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and Allergy Therapeutics' website at [www.allergytherapeutics.com/disclaimer](http://www.allergytherapeutics.com/disclaimer) promptly after the making of such announcement and in any event by no later than 12 noon on the Business Day following the announcement.
- (g) Without limiting the manner in which SkyGem may choose to make any public statement and subject to SkyGem's obligations under applicable law and regulation and paragraph 3(e) of this Part B, SkyGem will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

### **3. Rights of withdrawal**

As the Offer is unconditional from the outset, acceptances under the Offer are final and binding save as agreed in writing between SkyGem and any particular Allergy Therapeutics Shareholder or as otherwise permitted by SkyGem (either generally or for any particular Allergy Therapeutics Shareholder).

### **4. Revisions of the Offer**

The Offer is final and accordingly no revision to the financial terms is permitted, save to the extent referred to in paragraph 6(c) of this Part B.

### **5. General**

- (a) It is intended that the Offer will be implemented by way of a contractual takeover offer.
- (b) Allergy Therapeutics Shares will be acquired by SkyGem fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights now or hereafter attaching to them or accruing to them, including voting rights and (subject to paragraph 6(c) of this Part B) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the date of this document.
- (c) If, on or after the date of this document, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Allergy Therapeutics Shares, SkyGem reserves the right, to reduce the consideration payable under the terms of the Offer for the Allergy Therapeutics Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital. If (but only to the extent) SkyGem exercises this right to make such a reduction in respect of a dividend and/or distribution and/or return of capital, Allergy Therapeutics Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital, and references in this document to the consideration payable under the terms of the Offer will be deemed to be references to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles SkyGem to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph 6(c). Any

exercise by SkyGem of its rights referred to in this paragraph 6(c) shall not be regarded as constituting any revision or variation of the Offer.

- (d) Except with the Panel's consent, settlement of the consideration to which any Allergy Therapeutics Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which SkyGem may otherwise be, or claim to be, entitled as against such Allergy Therapeutics Shareholder and will be effected in the manner described in this document.
- (e) The Offer is made on 19 October 2023 and is capable of acceptance from that date. Copies of this document, the Form of Acceptance and any related documents are available (subject to certain restrictions relating to persons outside the UK) for inspection Jurisdictions on ZQ's website at [www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and on Allergy Therapeutics' website at [www.allergytherapeutics.com/disclaimer](http://www.allergytherapeutics.com/disclaimer) and from the Receiving Agent.
- (f) In respect of Allergy Therapeutics Shares in certificated form, the terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. The provisions of this Appendix I shall be deemed to be incorporated in and form part of each Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- (g) The Offer, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between an Allergy Therapeutics Shareholder and SkyGem or the Receiving Agent shall be governed by and interpreted in accordance with English law.
- (h) Subject to paragraph 6(i) of this Part B, the English courts have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of an Allergy Therapeutics Shareholder constitutes such Allergy Therapeutics Shareholder's irrevocable submission to the jurisdiction of the English courts.
- (i) The agreement in paragraph 6(h) of this Part B is included for the benefit of each of SkyGem and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in that paragraph, SkyGem and the Receiving Agent shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of an Allergy Therapeutics Shareholder constitutes such Allergy Therapeutics Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.
- (j) Any omission or failure to despatch this document or (where relevant) the Form of Acceptance or any other document relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 6 of this Part B, the Offer extends to any such person and to all Allergy Therapeutics Shareholders to whom this document, (where relevant) the Form of Acceptance and any related documents may not be despatched and who may not receive such documents, and such persons may (subject to certain restrictions relating to persons outside the UK) collect copies of those documents from the Receiving Agent or inspect this document on ZQ's website at [www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and on Allergy Therapeutics' website at [www.allergytherapeutics.com/disclaimer](http://www.allergytherapeutics.com/disclaimer) while the Offer remains open for acceptances.
- (k) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the Allergy Therapeutics Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with Section 4 of the Powers of Attorney Act 1971).

- (l) Without prejudice to any other provisions of this Part B and subject to the requirements of the Code, SkyGem and the Receiving Agent reserve the right to treat acceptances of the Offer as valid (in whole or in part) if not entirely in order or not accompanied by the relevant TTE instruction or (as applicable) relevant share certificate(s) and/or other document(s) of title or if received by or on behalf of any of them at any place or places or in any manner determined by any of them or otherwise than as set out in this document or, in respect of Allergy Therapeutics Shares held in certificated form, in the Form of Acceptance. In that event, no settlement of consideration of the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to SkyGem have been received by the Receiving Agent.
- (m) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Allergy Therapeutics Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of SkyGem.
- (n) Any reference in this Appendix I to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this document).
- (o) In relation to any acceptance of the Offer in respect of a holding of Allergy Therapeutics Shares which are in uncertificated form, SkyGem reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the Panel's consent.
- (p) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (q) Neither SkyGem nor any person acting on behalf of SkyGem, nor Allergy Therapeutics nor the Allergy Therapeutics Group, nor any associated undertaking or any of their respective associates or directors, officers, employees or advisers, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- (r) The Offer is subject to applicable requirements of English law and the London Stock Exchange and the Code and to the jurisdiction of the courts of England and Wales. In the event of any conflict or inconsistency between the terms and conditions of the Offer and the Code, the provisions of the Code shall prevail, and SkyGem reserves the right to (and shall if required by the Panel) make such alterations, additions or modifications to the terms and conditions of the Offer so that any such conflict or inconsistency is removed.
- (s) Any question as to the validity (including time of receipt) of any acceptance of the Offer and any question as to, or the acceptance of, any words or markings on a Form of Acceptance will be determined by SkyGem, whose determination (save as the Panel otherwise determines) will be final and binding. None of SkyGem, nor any person acting on behalf of SkyGem, the Receiving Agent, nor Allergy Therapeutics nor the Allergy Therapeutics Group, nor any associated undertaking or any of their respective associates or directors, officers, employees or advisers or any other person will be under any duty to give notification of any defect or irregularity in any purported acceptance of the Offer or will incur any liability for failure to do so or for any determination under this paragraph 6(s).

## **6. Overseas Shareholders**

- (a) The making of the Offer in, or to persons resident in, or to nationals or citizens of, jurisdictions outside the United Kingdom or to nominees of, or custodians or trustees for, citizens or nationals of other countries ("**Overseas Shareholders**") may be prohibited or affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the UK may treat the same as constituting an invitation or offer to them, nor

should they in any event use such Form of Acceptance if, in the relevant jurisdiction, such invitation or offer cannot lawfully be made to them or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or Form of Acceptance are sent for information only. It is the responsibility of such Overseas Shareholder receiving a copy of this document and/or Form of Acceptance and wishing to accept the Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and SkyGem, (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties or other payments which SkyGem (and any person acting on behalf of any of them) may be required to pay.

**If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.**

- (b) In particular, the Offer is not being made, directly or indirectly, in, into or from, and is not capable of acceptance in or from a Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction.

Persons receiving such documents (including without limitation, custodians, trustees and nominees) must not mail or otherwise forward, distribute or send them, directly or indirectly, in, into or from a Restricted Jurisdiction or use Restricted Jurisdiction mails or any such means or instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer must not use such mails or any such means or instrumentality or facility directly or indirectly for any purpose directly or indirectly related to acceptance of the Offer.

Envelopes containing a Form of Acceptance, evidence of title or any other document relating to the Offer should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all accepting Allergy Therapeutics Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

- (c) An Allergy Therapeutics Shareholder will be deemed not to have validly accepted the Offer if:
- (i) such Allergy Therapeutics Shareholder puts "NO" in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (b) of Part D of this Appendix I;
  - (ii) having had inserted in, or having completed Box 3 of, the Form of Acceptance, a registered address in a Restricted Jurisdiction, such Allergy Therapeutics Shareholder does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom such Allergy Therapeutics Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;
  - (iii) such Allergy Therapeutics Shareholder inserts in Box 4 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom such Allergy Therapeutics Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;
  - (iv) in any case, the Form of Acceptance is received in an envelope postmarked in, or which otherwise appears to SkyGem or its agent to have been sent from, a Restricted Jurisdiction;
  - (v) such Allergy Therapeutics Shareholder inserts in Box 3 of the Form of Acceptance a telephone number in a Restricted Jurisdiction; or
  - (vi) such Allergy Therapeutics Shareholder makes a Restricted Escrow Transfer pursuant to paragraph 7(g) of this Part B unless they also make a related Restricted ESA instruction which is accepted by the Receiving Agent.

SkyGem reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part D of this Appendix I or (as the case may be) paragraphs (b) to (d) of Part D of this Appendix I could have been truthfully given by the relevant Allergy Therapeutics Shareholder and, if such investigation is made and, as a result, SkyGem cannot satisfy itself that such representation and warranty was true and correct, the acceptance shall not be valid.

- (d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
- (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (iii) draw the attention of the recipient to paragraph 6 of this Part B.
- (e) If any written notice from an Allergy Therapeutics Shareholder withdrawing such Allergy Therapeutics Shareholder's acceptance in accordance with paragraph 3 of this Part B is received in an envelope postmarked in, or which otherwise appears to SkyGem or its agents to have been sent from, a Restricted Jurisdiction, SkyGem reserves the right in its absolute discretion to treat that notice as invalid.

**Any acceptance of the Offer by Allergy Therapeutics Shareholders who are unable to give the representations and warranties set out in paragraph (b) of Part D of this Appendix I or (as the case may be) paragraphs (b) to (d) of Part D of this Appendix I is liable to be disregarded.**

- (f) SkyGem reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- (g) If an Allergy Therapeutics Shareholder holding Allergy Therapeutics Shares in uncertificated form cannot give the representations and warranties set out in paragraphs (b) to (d) of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to SkyGem that they can accept the Offer in compliance with all relevant legal and regulatory requirements, such Allergy Therapeutics Shareholder may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that their CREST sponsor sends) both:
- (i) a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and
  - (ii) one or more valid ESA instructions (a "**Restricted ESA instruction**") which specify the form of consideration which such Allergy Therapeutics Shareholder wishes to receive (consistent with the alternatives offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and SkyGem decides, in its absolute discretion, to exercise its right described in paragraph 7(h) of this Part B to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the period for which the Offer is open for acceptance. If SkyGem accordingly decides to permit such acceptance to be made, the Receiving Agent will, on behalf of SkyGem, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will, on behalf of SkyGem, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Allergy Therapeutics Shares (this is GB00B02LCQ05);

- the number of Allergy Therapeutics Shares in uncertificated form in respect of which the Offer is to be accepted;
- the member account ID and participant ID of the Allergy Therapeutics Shareholder;
- the participant ID of the Escrow Agent (this is RA10) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on the Closing Date;
- the corporate action number for the Offer allocated by Euroclear;
- input with a standard delivery instruction priority of 80; and the contact name and telephone number inserted in the shared note file.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Allergy Therapeutics Shares (this is GB00B02LCQ05);
- the number of Allergy Therapeutics Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting Allergy Therapeutics Shareholder;
- the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
- the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in this document);
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on the Closing Date;
- input with a standard delivery instruction priority of 80; and the corporate action number for the Offer.

- (h) These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Allergy Therapeutics Shareholders or on a general basis by SkyGem in its absolute discretion. Subject thereto, the provisions of paragraph 7 of this Part B supersede any terms of the Offer inconsistent with them. References in paragraph 7 of this Part B to an Allergy Therapeutics Shareholder include references to the person or persons executing a Form of Acceptance and, if more than one person executes the Form of Acceptance, the provisions of paragraph 7 of this Part B shall apply to them jointly and severally.
- (i) SkyGem reserves the right to notify any matter, including the making of the Offer, to all or any Allergy Therapeutics Shareholders:
- (i) with a registered address outside the United Kingdom; or
  - (ii) whom SkyGem knows to be a custodian, trustee or nominee holding Allergy Therapeutics Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such Allergy Therapeutics Shareholder to receive or see that notice.

- (j) A reference in this document to a notice or the provision of information in writing by or on behalf of SkyGem is to be construed accordingly. No such document shall be sent to an address in a Restricted Jurisdiction.

**PART C**  
**FORM OF ACCEPTANCE**

**This Part C applies only to Allergy Therapeutics Shares held in certificated form. If you hold all of your Allergy Therapeutics Shares in uncertificated form, you should ignore this Part C and instead read Part D of this Appendix I.**

Each Allergy Therapeutics Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to the Receiving Agent irrevocably undertakes, represents, warrants and agrees to and with SkyGem and the Receiving Agent (so as to bind such Allergy Therapeutics Shareholder and such Allergy Therapeutics Shareholder's personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall constitute:
- (i) an acceptance of the Offer in respect of the number of Allergy Therapeutics Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
  - (ii) an undertaking to execute any further documents and give any further assurances which may be required to enable SkyGem to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given in this Part C,

in each case on and subject to the terms and conditions set out or referred to in this document and in the Form of Acceptance and that each such acceptance shall be irrevocable provided that if:

- (i) Box 1 or any other box is not completed; or
- (ii) the total number of Allergy Therapeutics Shares inserted in Box 1 is greater than the number of Allergy Therapeutics Shares comprised in the acceptance,

but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all of the Allergy Therapeutics Shares comprised in the acceptance.

For the purposes of this Appendix I and the Form of Acceptance, the phrase **Allergy Therapeutics Shares comprised in the acceptance** shall mean the number of Allergy Therapeutics Shares inserted in Box 1 of the Form of Acceptance or if no number (or a number greater than the relevant Allergy Therapeutics Shareholder's registered holding of Allergy Therapeutics Shares) is inserted, the greater of:

- (i) the relevant Allergy Therapeutics Shareholder's entire holding of Allergy Therapeutics Shares as disclosed by the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by the Receiving Agent;
- (ii) the relevant Allergy Therapeutics Shareholder's entire holding of Allergy Therapeutics Shares as disclosed by the register of members made available to the Receiving Agent prior to the latest time for receipt of the Form of Acceptance; or
- (iii) the number of Allergy Therapeutics Shares in respect of which certificates or an indemnity in lieu thereof is received by the Receiving Agent;

- (b) unless "NO" is put in Box 5 of the Form of Acceptance, that such Allergy Therapeutics Shareholder:
- (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction, has not utilised in connection with the Offer or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails of or any other means or instrumentality (including, without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction;
  - (ii) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in SkyGem, or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Allergy Therapeutics Shareholder's acceptance thereof;

- (iii) is accepting the Offer from outside a Restricted Jurisdiction and has not executed, mailed or sent the Form of Acceptance in or from a Restricted Jurisdiction; and
  - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
- (c) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes the irrevocable and separate appointment of each of SkyGem and any director of, or any person authorised by them, as such Allergy Therapeutics Shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Allergy Therapeutics Shares referred to in paragraph (a) of this Part C in favour of SkyGem or such other person or persons as SkyGem or its agents may direct in connection with acceptance of the Offer;
  - (ii) to deliver such form(s) of transfer and/or other document(s) in the attorney's discretion and/or the certificate(s) and/or other document(s) of title relating to such Allergy Therapeutics Shares for registration within six months of the Offer closing; and
  - (iii) to execute all such other documents and do all such other acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest the Allergy Therapeutics Shares referred to in paragraph (a) of this Part C in SkyGem or its nominee;
- (d) that, in relation to Allergy Therapeutics Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes an irrevocable authority and request, subject to the provisions of paragraph 6 of Part B of this Appendix I:
- (i) to Allergy Therapeutics or its agents to procure the registration of the transfer of those Allergy Therapeutics Shares referred to in paragraph (a) of this Part C pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Allergy Therapeutics Shares to SkyGem or as it may direct; and
  - (ii) to SkyGem or its agents to procure the despatch by post (or by such other method as the Panel may approve) of the cheque for the cash consideration to which an accepting Allergy Therapeutics Shareholder is entitled, at the risk of such shareholder, to the person or agent whose name and address outside a Restricted Jurisdiction is set out in Box 3 of the Form of Acceptance, or if no name and address is set out in Box 3, to the first named holder at such holder's registered address outside a Restricted Jurisdiction;
- (e) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes a separate authority to SkyGem, the Receiving Agent and/or their respective directors in respect of the Allergy Therapeutics Shares in certificated form comprised in the acceptance;
- (f) that pending registration:
- (i) SkyGem or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Allergy Therapeutics Shareholders or of any class of its shareholders) attaching to any Allergy Therapeutics Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
  - (ii) the execution of a Form of Acceptance in respect of the Allergy Therapeutics Shares comprised in such acceptance:
    - A. constitutes an authority to Allergy Therapeutics and its agents from such Allergy Therapeutics Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Allergy Therapeutics Shareholder as a member of Allergy Therapeutics (including any share certificate(s) or other document(s) of title) to SkyGem at its registered office or as SkyGem or its agents may direct;
    - B. constitutes an authority to SkyGem or any director of, or any person authorised by, SkyGem to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Allergy Therapeutics Shares held by such Allergy

Therapeutics Shareholder in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Allergy Therapeutics Shareholder's attorney and/or agent and on such Allergy Therapeutics Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Allergy Therapeutics Shares appointing any person nominated by SkyGem to attend general and separate class meetings of Allergy Therapeutics (and any adjournments thereof) and to exercise the votes attaching to such shares on such Allergy Therapeutics Shareholder's behalf); and

- C. will also constitute the agreement of such Allergy Therapeutics Shareholder not to exercise any of such rights without the consent of SkyGem and the irrevocable undertaking of such Allergy Therapeutics Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting, save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (g) that such Allergy Therapeutics Shareholder will deliver or procure the delivery to the Receiving Agent of share certificate(s) or other document(s) of title in respect of all Allergy Therapeutics Shares in certificated form held by such Allergy Therapeutics Shareholder in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to SkyGem in lieu thereof, as soon as possible and in any event within six months of the Offer closing;
  - (h) that such Allergy Therapeutics Shareholder is the sole legal and beneficial owner of the Allergy Therapeutics Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Allergy Therapeutics Shares and has the necessary capacity and authority to execute the Form(s) of Acceptance;
  - (i) that the Allergy Therapeutics Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid on or after the date of this document;
  - (j) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
  - (k) that, if such Allergy Therapeutics Shareholder accepts the Offer, they will do all such acts and things as shall be necessary or expedient to vest the Allergy Therapeutics Shares referred to in paragraph (a) of this Part C in SkyGem or its nominee(s) or such other persons as SkyGem may decide;
  - (l) that such Allergy Therapeutics Shareholder agrees to ratify each and every act or thing which may be done or effected by SkyGem or the Receiving Agent or any of their respective directors, officers, partners or agents, or by Allergy Therapeutics or its agents, as the case may be, in the exercise of any of any such person's powers and/or authorities under this document;
  - (m) that the execution of the Form of Acceptance constitutes such Allergy Therapeutics Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part B of this Appendix I;
  - (n) that on execution the Form of Acceptance shall take effect as a deed;
  - (o) that if any provision of Part C or Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford SkyGem or the Receiving Agent or any of their respective directors, agents or persons authorised by them the benefit of the authority expressed to be given therein, such Allergy Therapeutics Shareholder shall with all practicable speed, do all such acts and things and execute all such documents as may be required to enable SkyGem and/or the Receiving Agent and/or any director of any of them to secure the full benefits of Part B and Part C of this Appendix I; and
  - (p) that such Allergy Therapeutics Shareholder is not a customer (as defined by the rules of the FCA) of Cavendish in connection with the Offer.

References in this Part C to an Allergy Therapeutics Shareholder shall include references to the person or persons executing a Form of Acceptance, and if more than one person executes a Form of Acceptance, the provisions of this Part C shall apply to them jointly and severally.

**PART D**  
**ELECTRONIC ACCEPTANCE**

**This Part D applies only to Allergy Therapeutics Shares held in uncertificated form. If you hold all of your Allergy Therapeutics Shares in certificated form, you should ignore this Part D and instead read Part C of this Appendix I.**

Each Allergy Therapeutics Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with SkyGem and the Receiving Agent (so as to bind such Allergy Therapeutics Shareholder and such Allergy Therapeutics Shareholder's personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute an acceptance of the Offer in respect of the number of Allergy Therapeutics Shares in uncertificated form to which a TTE instruction relates on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out or referred to in paragraph 4 of Part B of this Appendix I each such acceptance and election shall be irrevocable;
- (b) that such Allergy Therapeutics Shareholder has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction, has not utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, by means of facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction, was outside a Restricted Jurisdiction at the time of the input and settlement of the relevant TTE instruction(s), and in respect of the Allergy Therapeutics Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
- (c) that, if such Allergy Therapeutics Shareholder is an Overseas Shareholder, they have observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and have not taken or omitted to take any action that will or may result in SkyGem or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Allergy Therapeutics Shareholder's acceptance thereof;
- (d) that no TTE instruction has been sent from a Restricted Jurisdiction and such Allergy Therapeutics Shareholder is accepting the Offer from outside a Restricted Jurisdiction;
- (e) that the Electronic Acceptance constitutes the irrevocable appointment of each of SkyGem and any director of, or any person authorised by them, as such Allergy Therapeutics Shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney to execute all such documents and do all such acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest the Allergy Therapeutics Shares referred to in paragraph (a) of this Part D in SkyGem or its nominee;
- (f) that the Electronic Acceptance constitutes the irrevocable appointment of Link Group as the accepting Allergy Therapeutics escrow agent to the Offer with and an irrevocable instruction and authority to the Escrow Agent to transfer to itself (or to such other person or persons as SkyGem or its agents may direct) by means of CREST all or any of the Allergy Therapeutics Shares in uncertificated form (but not exceeding the number of Allergy Therapeutics Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted);
- (g) that the Electronic Acceptance constitutes an irrevocable authority and request to SkyGem or its agents to procure the making of a CREST payment obligation in favour of the Allergy Therapeutics Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled, provided that:
  - (i) SkyGem may (if, for reasons, outside its reasonable control, it is not able to effect settlement through CREST in accordance with paragraph (g) of this Part D) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post; and

- (ii) if the Allergy Therapeutics Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such shareholder is entitled may be paid by cheque despatched by post, in any case at the risk of such shareholder, and such cheque shall be despatched to the first named holder at such holder's registered address outside a Restricted Jurisdiction or as otherwise determined by SkyGem;
- (h) that the Electronic Acceptance constitutes a separate authority to SkyGem and/or its directors in respect of the Allergy Therapeutics Shares in uncertificated form referred to in paragraph (a) of this Part D;
- (i) that pending registration:
  - (i) SkyGem and/or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Allergy Therapeutics Shareholders or of any class of its shareholders) attaching to such Allergy Therapeutics Shares in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted; and
  - (ii) an Electronic Acceptance in respect of the Allergy Therapeutics Shares comprised in such acceptance:
    - A. constitutes an authority to Allergy Therapeutics from such Allergy Therapeutics Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Allergy Therapeutics Shareholder as a member of Allergy Therapeutics (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Allergy Therapeutics Shares into certificated form) to SkyGem at its registered office or as SkyGem or its agents may direct;
    - B. constitutes an authority to SkyGem or any director of, or any other person authorised by, SkyGem to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Allergy Therapeutics Shares held by such Allergy Therapeutics Shareholder in uncertificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Allergy Therapeutics Shareholder's attorney and/or agent and on such Allergy Therapeutics Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Allergy Therapeutics Shares appointing any person nominated by SkyGem to attend general and separate class meetings of Allergy Therapeutics (and any adjournments thereof) and to exercise the votes attaching to such shares on such Allergy Therapeutics Shareholder's behalf; and
    - C. will also constitute the agreement of such Allergy Therapeutics Shareholder not to exercise any of such rights without the consent of SkyGem and the irrevocable undertaking of such Allergy Therapeutics Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (j) that such Allergy Therapeutics Shareholder is the sole legal and beneficial owner of the Allergy Therapeutics Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Allergy Therapeutics Shares has the necessary capacity and authority to effect an Electronic Acceptance;
- (k) that the Allergy Therapeutics Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid on or after the date of this document;
- (l) that such Allergy Therapeutics Shareholder will do all such acts and things as shall be necessary or expedient to vest the Allergy Therapeutics Shares referred to in paragraph (a) of this Part D in SkyGem or its nominee(s) or such other persons as SkyGem may decide and all such acts and things as may be necessary or expedient to enable Link Group to perform its functions as Escrow Agent for the purposes of the Offer;
- (m) that such Allergy Therapeutics Shareholder agrees to ratify each and every act or thing which may be done or effected by SkyGem or the Receiving Agent or any of their respective directors, officers,

partners or agents, or by Allergy Therapeutics or its agents, as the case may be, in the exercise of any of such person's powers and/or authorities under this document;

- (n) that if, for any reason, any Allergy Therapeutics Shares in respect of which a TTE instruction has been effected in accordance with paragraph 13(g) of the letter from SkyGem contained in Part I of this document are converted to certificated form, such Allergy Therapeutics Shareholder will (without prejudice to subparagraph (i)(ii)(A) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Allergy Therapeutics Shares as so converted to the Receiving Agent or to SkyGem at its registered office or as SkyGem or its agents may direct; and such Allergy Therapeutics Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Appendix I in relation to such Allergy Therapeutics Shares without prejudice to the application of this Part D as far as SkyGem deems appropriate;
- (o) that the creation of a CREST payment obligation in favour of such Allergy Therapeutics Shareholder's payment bank in accordance with the CREST payment arrangements referred to in paragraph (g) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of SkyGem, to pay such Allergy Therapeutics Shareholder the cash consideration to which they are entitled pursuant to the Offer;
- (p) that the making of an Electronic Acceptance constitutes such Allergy Therapeutics Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part B of this Appendix I;
- (q) that, by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Allergy Therapeutics Shareholder in the terms of all the powers and authorities expressed to be given by Part B, Part C and (where applicable by virtue of paragraph (n) of this Part D) Part D of this Appendix I to SkyGem and the Receiving Agent and any of their respective agents;
- (r) that if any provision of Part B or Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford SkyGem or the Receiving Agent or any director of any of them the benefit or authority expressed to be given therein, such Allergy Therapeutics Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable SkyGem and/or the Receiving Agent and/or any director of any of them to secure the full benefits of Part B and Part D of this Appendix I; and
- (s) that such Allergy Therapeutics Shareholder is not a customer (as defined by the rules of the FCA) of Cavendish in connection with the Offer.

References in this Part D to an Allergy Therapeutics Shareholder shall include references to the person or persons making an Electronic Acceptance and, if more than one makes an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and severally.

## APPENDIX II

### FINANCIAL AND RATINGS INFORMATION

#### Financial information relating to Allergy Therapeutics

The following sets out financial information in respect of Allergy Therapeutics as required by Rule 24.3 of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the audited accounts of Allergy Therapeutics Group for the financial year ended 30 June 2022 are set out on pages 76 to 138 in Allergy Therapeutics' annual report for the financial year ended 30 June 2022 available from Allergy Therapeutics' website at <https://www.allergytherapeutics.com/media/1466/annual-report-2022.pdf>;
- the audited accounts of Allergy Therapeutics Group for the financial year ended 30 June 2021 are set out on pages 84 to 131 in Allergy Therapeutics' annual report for the financial year ended 30 June 2021 available from Allergy Therapeutics' website at [https://www.allergytherapeutics.com/media/1346/web\\_allergy\\_ar21.pdf](https://www.allergytherapeutics.com/media/1346/web_allergy_ar21.pdf);
- the unaudited interim accounts of Allergy Therapeutics Group for the six months ended 31 December 2022 available from Allergy Therapeutics' website at <https://www.allergytherapeutics.com/media/1468/interim-results-for-the-six-months-ended-31-december-2022.pdf>; and
- the unaudited preliminary statement of financial results of Allergy Therapeutics Group for the financial year ended 30 June 2023 available from Allergy Therapeutics' website at <https://www.allergytherapeutics.com/media/1492/unaudited-preliminary-results-for-the-year-ended-30-june-2023.pdf>.

#### Allergy Therapeutics ratings information

No rating agency has publicly accorded Allergy Therapeutics with any current credit rating or outlook.

#### Financial information relating to SkyGem

The following sets out financial information in respect of SkyGem as required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- unaudited accounts for SkyGem for the financial year ended 31 December 2022 available at: [http://www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php); and
- unaudited accounts for SkyGem for the financial year ended 31 December 2021 available at: [http://www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php).

#### SkyGem ratings information

No rating agency has publicly accorded SkyGem with any current credit rating or outlook.

#### No incorporation of website information

Save as expressly referred to herein, neither the content of Allergy Therapeutics' website or ZQ's website nor the content of any website accessible from hyperlinks on Allergy Therapeutics' website or ZQ's website, is incorporated into, or forms part of, this document.

## APPENDIX III

### ADDITIONAL INFORMATION

#### 1. Responsibility

- (a) The SkyGem Directors, whose name are set out in paragraph 2(a) below, accept responsibility for the information contained in this document (including any expressions of opinion), other than the information (and expressions of opinion) for which the Allergy Therapeutics Independent Directors accept responsibility in accordance with paragraph 1(c) below. To the best of the knowledge and belief of the SkyGem Directors, who have taken all reasonable care to ensure that such is the case, the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Allergy Therapeutics Directors, whose names are set out in paragraph 2(b) below, each accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Allergy Therapeutics Group and the Allergy Therapeutics Directors, their close relatives, related trusts and other connected persons and persons acting in concert with them (as such term is used in the Code) except in relation to the opinions and views (including the recommendation) of the Allergy Therapeutics Independent Directors in respect of the Offer, for which the Allergy Therapeutics Independent Directors take responsibility pursuant to paragraph 1(c) of this Appendix III. To the best of the knowledge and belief of the Allergy Therapeutics Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The Allergy Therapeutics Independent Directors, whose names are set out in paragraph 2(b) below, each accept responsibility for their opinions and views on the Offer. To the best of the knowledge and belief of the Allergy Therapeutics Independent Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- (a) Zheqing Shen and Kai Yuan are the directors of SkyGem and their business address is at Suite 1, 7th Floor 50 Broadway, London, United Kingdom, SW1H 0BL.
- (b) The names of the Allergy Therapeutics Directors and their respective functions are as set out below. The Allergy Therapeutics Independent Directors comprise each of the Allergy Therapeutics Directors save for Zheqing Shen:

| <i>Name</i>       | <i>Position</i>                             |
|-------------------|---|
| Peter Jensen      | <i>(Non-Executive Chairman)</i>             |
| Manuel Llobet     | <i>(Chief Executive Officer)</i>            |
| Cheryl MacDiarmid | <i>(Independent Non-Executive Director)</i> |
| Tunde Otulana     | <i>(Independent Non-Executive Director)</i> |
| Anthony Parker    | <i>(Non-Executive Director)</i>             |
| Zheqing Shen      | <i>(Non-Executive Director)</i>             |
| Mary Tavener      | <i>(Independent Non-Executive Director)</i> |

The business address of each of the Allergy Therapeutics Directors (in such capacity) is at Dominion Way, Worthing, West Sussex, BN14 8SA.

### 3. Persons acting in concert

3.1 In addition to the Allergy Therapeutics Independent Directors (together with their close relatives and related trusts) and members of the Allergy Therapeutics Group (and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with Allergy Therapeutics in respect of the Offer and who are required to be disclosed are:

| <i>Name</i>    | <i>Type</i>   | <i>Registered Office</i>  | <i>Relationship with Allergy Therapeutics</i>                          |
|----------------|---|---|--|
| Panmure Gordon | Private limited company incorporated in England and Wales | 40 Gracechurch St, London EC3V 0BT  | Financial adviser to Allergy Therapeutics in connection with the Offer |
| SkyGem         | Private limited company incorporated in England and Wales | Suite 1, 7th Floor<br>50 Broadway, London,<br>United Kingdom,<br>SW1H 0BL | Controlling shareholder of Allergy Therapeutics                        |

3.2 In addition to the SkyGem Directors (together with their close relatives and related trusts) and members of the Wider SkyGem Group (and their related pension schemes), the persons who, for the purposes of the Takeover Code, are acting in concert with SkyGem in respect of the Offer and who are required to be disclosed are:

| <i>Name</i> | <i>Type</i>   | <i>Registered Office</i>                              | <i>Relationship with SkyGem</i>                          |
|-------------|---|---|--|
| Cavendish   | Private limited company incorporated in England and Wales | 1 Bartholomew Close, London, EC1A 7BL, United Kingdom | Financial adviser to SkyGem in connection with the Offer |

### 4. Interests and dealings in relevant securities

#### 4.1 **Definitions used in this section**

For the purposes of this paragraph 4:

**“acting in concert”** with SkyGem or Allergy Therapeutics, as the case may be, means any person acting or deemed to be acting in concert with SkyGem or Allergy Therapeutics, as the case may be, for the purposes of the Takeover Code;

**“connected adviser”** has the meaning given to it in the Takeover Code;

**“connected person”** in relation to a director of SkyGem or Allergy Therapeutics includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

**“control”** means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interest(s) give(s) de facto control;

**“dealing”** has the meaning given to it in the Takeover Code and **“dealt”** has the corresponding meaning;

**“derivative”** includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

**“Disclosure Period”** means the period commencing on 6 April 2022 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on the Latest Practicable Date;

**“exempt fund manager”** and “exempt principal trader” have the meanings given to them in the Takeover Code;

**“financial collateral arrangements”** are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;

**“interest”** in relevant securities has the meaning given to it in the Takeover Code;

**“Note 11 arrangement”** includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to accept the Offer, details of which are set out in paragraph 4 of this Appendix III);

**“Offer Period”** means, in this context, the period commencing on 6 April 2023 and ending on the Latest Practicable Date;

**“relevant securities”** means:

- (a) Allergy Therapeutics Shares and any other securities of Allergy Therapeutics which carry voting rights;
- (b) equity share capital of Allergy Therapeutics or, as the context requires, SkyGem; and
- (c) securities of Allergy Therapeutics or, as the context requires, SkyGem, carrying conversion or subscription rights into any of the foregoing; and

**“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

#### 4.2 **Interests in relevant securities of Allergy Therapeutics**

##### *Allergy Therapeutics*

- (a) As at the Latest Practicable Date, the interests of the Allergy Therapeutics Directors (and their connected persons) in Allergy Therapeutics Shares were as follows:

| <i>Allergy Therapeutics Director</i> | <i>Number of Allergy Therapeutics Shares</i> | <i>Percentage of Allergy Therapeutics existing issued share capital (excluding treasury shares)</i> |
|--------------------------------------|--|---|
| Peter Jensen                         | 2,100,000                                    | 0.04  |
| Manuel Llobet                        | 3,325,000                                    | 0.07  |
| Cheryl MacDiarmid                    | –  | –   |
| Tunde Otulana                        | 50,000                                       | 0.00  |
| Mary Tavener                         | –  | –   |
| Anthony Parker                       | 1,925,000                                    | 0.04  |
| Zheging (Simon) Shen*                | 2,850,296,476                                | 59.96   |
| <b>TOTAL</b>                         | <b>2,857,696,476</b>                         | <b>60.11</b>  |

\* Taking into account the holdings of SkyGem and ZQ.

- (b) As at the Latest Practicable Date, the Allergy Therapeutics Directors held the following outstanding options over Allergy Therapeutics Shares under the Allergy Therapeutics Long Term Share Incentive Plan 2013:

| <i>Allergy Therapeutics Director</i> | <i>Scheme Name</i>                                       | <i>Grant date</i> | <i>Exercise price (p)</i> | <i>Number of Allergy Therapeutics Shares under option</i> |
|--------------------------------------|--|-------------------|---------------------------|---|
| Manuel Llobet                        | Allergy Therapeutics Long Term Share Incentive Plan 2013 | 27 March 2020     | 0                         | 422,500   |
|                                      |  | 30 March 2021     | 0                         | 450,000   |
|                                      |  | 22 November 2021  | 0                         | 803,700   |

- (c) As at the Latest Practicable Date, the interests of persons acting in concert with Allergy Therapeutics in Allergy Therapeutics Shares were as follows:

| <i>Name</i>          | <i>Number of Allergy Therapeutics shares</i> | <i>Percentage of Allergy Therapeutics existing issued share capital (excluding treasury shares)</i> |
|----------------------|--|---|
| ZQ                   | 315,343                                      | 0.01  |
| Zheqing (Simon) Shen | 90,000                                       | 0.00  |

*SkyGem*

- (d) As at the Latest Practicable Date, the interests of persons acting in concert with SkyGem in Allergy Therapeutics Shares were as follows:

| <i>Name</i>          | <i>Number of Allergy Therapeutics Shares</i> | <i>Percentage of Allergy Therapeutics existing issued share capital (excluding treasury shares)</i> |
|----------------------|--|---|
| ZQ                   | 315,343                                      | 0.01  |
| Zheqing (Simon) Shen | 90,000                                       | 0.00  |

#### 4.3 **Dealings in relevant securities in Allergy Therapeutics**

##### *Allergy Therapeutics*

The following dealings in relevant securities in Allergy Therapeutics by Allergy Therapeutics Directors have taken place during the Offer Period:

| <i>Allergy Therapeutics Director</i> | <i>Dealing Date</i> | <i>Transaction</i>   | <i>Number of Allergy Therapeutics Shares</i> | <i>Price per Allergy Therapeutics Share (£)</i> |
|--------------------------------------|---------------------|--|--|---|
| Peter Jensen                         | 16/10/2023          | Acquisition pursuant to the open offer in connection with the Equity Financing | 1,800,000                                    | 0.01  |
| Anthony Parker                       | 16/10/2023          | Acquisition pursuant to the open offer in connection with the Equity Financing | 1,650,000                                    | 0.01  |

##### *SkyGem*

Other than for Allergy Therapeutics Shares subscribed for by SkyGem pursuant to the Equity Raise, during the Disclosure Period, no dealings in Allergy Therapeutics Shares by SkyGem or any person acting in concert with SkyGem have taken place.

#### 4.4 **General**

Save as disclosed in this document, as at the Latest Practicable Date:

- (a) none of: (i) SkyGem; (ii) any director of SkyGem or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with SkyGem, had any interest in, right to subscribe in respect of, or short position in respect of relevant securities of Allergy Therapeutics; and no such person has dealt in any relevant securities of Allergy Therapeutics during the Disclosure Period;
- (b) neither SkyGem nor any person acting in concert with SkyGem had borrowed or lent any relevant securities of Allergy Therapeutics (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (c) none of: (i) Allergy Therapeutics; (ii) any director of Allergy Therapeutics, or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with Allergy Therapeutics, had any interest in, right to subscribe for, or short position in relation to relevant securities of Allergy Therapeutics; and no such person had dealt in any relevant securities of Allergy Therapeutics during the Offer Period;
- (d) neither Allergy Therapeutics nor any person acting in concert with it had borrowed or lent any relevant securities of Allergy Therapeutics (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (e) neither (i) Allergy Therapeutics; or (ii) any director of Allergy Therapeutics, or any close relatives, related trusts or connected person of any such director, had any interest in, right to subscribe for, or short position in relation to relevant securities of SkyGem; and no such person had dealt in any relevant securities during the Offer Period;
- (f) neither SkyGem nor any person acting in concert with SkyGem has any Note 11 arrangement with any other person; and
- (g) neither Allergy Therapeutics nor any person who is acting in concert with Allergy Therapeutics has any Note 11 arrangement with any other person.

## 5. Market quotations

The following table shows the Closing Price for Allergy Therapeutics Shares on the following dates:

- (a) 5 April 2023, being the last Business Day before the commencement of the Offer Period;
- (b) the first Business Day of each of the six months immediately before the date of this document; and
- (c) the Latest Practicable Date.

| <i>Date</i>             | <i>Price per Allergy Therapeutics Share (pence)</i> |
|-------------------------|---|
| 2 October 2023          | 1.5p  |
| 4 September 2023        | 2.76p   |
| 1 August 2023           | 3.50p   |
| 3 July 2023             | 1.07p   |
| 1 June 2023             | 6.25p   |
| 2 May 2023              | 6.25p   |
| 5 April 2023            | 6.25p   |
| Latest Practicable Date | 1.30p   |

## 6. Irrevocable undertaking

SkyGem has received an irrevocable undertaking from Southern Fox not to accept the Offer. Southern Fox holds 1,307,377,398 Allergy Therapeutics Shares, representing 27.50 per cent. of the Allergy Therapeutics Shares and voting rights preventing SkyGem from reaching the 90 per cent. threshold that would enable it to 'squeeze out' minority shareholders in accordance with section 979 of the Companies Act.

The irrevocable undertaking will lapse (i) on the earlier of (x) 6 January 2024 and (y) the date of G306 Trial Failure (as such term is defined in the Equity Commitment Agreement) or (ii) such other date as SkyGem and Southern Fox may agree in writing.

## 7. Service contracts and letters of appointment of the Allergy Therapeutics Directors

Save as disclosed below, there are no service contracts or letters of appointment in force between, on the one hand, an Allergy Therapeutics Director with, on the other hand, Allergy Therapeutics or any of its subsidiaries and, save as disclosed below, no such agreement has been entered into or amended during the six months preceding the date of this document.

### ***Allergy Therapeutics Executive Directors ("Executive Directors")***

Manuel Llobet is the only Allergy Therapeutics Executive Director to have entered into a service contract with the Allergy Therapeutics.

Manuel Llobet has a service contract with a rolling term and termination on 12 months' notice by the company and 6 months by the executive, annual salary of EUR 367,064, annual bonus of up to 75 per cent. of salary, together with car allowance and pension benefits.

### ***Allergy Therapeutics Non-Executive Directors ("Non-Executive Directors")***

The Allergy Therapeutics Non-Executive Directors were appointed by letters of appointment, details of which are set out below.

Particulars of the terms of appointment are as follows:

| <i>Allergy Therapeutics<br/>Non-Executive Director</i> | <i>Date of<br/>Appointment</i> | <i>Notice<br/>period from<br/>Allergy<br/>Therapeutics</i> | <i>Notice period<br/>from Director</i> | <i>Fees per<br/>annum</i> |
|--|--------------------------------|--|--|---------------------------|
| Peter Jensen   | 1 October 2010                 | 6 months   | 6 months                               | £94,000                   |
| Tunde Otulana  | 6 June 2017                    | 3 months   | 3 months                               | £44,500                   |
| Cheryl MacDiarmid                                      | 27 October 2021                | 3 months   | 3 months                               | £40,000                   |
| Mary Tavener   | 19 June 2019                   | 3 months   | 3 months                               | £49,000                   |
| Anthony Parker   | 6 December 2022                | 3 months   | 3 months                               | Nil                       |
| Zheqing (Simon) Shen                                   | 6 December 2022                | 3 months   | 3 months                               | Nil                       |

## 8. Material contracts

### (a) SkyGem material contracts

Save as set out below, neither SkyGem nor any of its subsidiaries has, during the period beginning 5 April 2021 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business:

#### (i) *The Equity Commitment Agreement*

The Equity Commitment Agreement was entered into by each of SkyGem, Southern Fox and Allergy Therapeutics on 6 April 2023, as described in the Financing Announcement, pursuant to which each of the parties to the Equity Commitment Agreement agreed, *inter alia*, the terms on which the Equity Financing would take place. The final outstanding condition under the Equity Commitment Agreement was satisfied on 16 October 2023, following which the Equity Financing was consummated on 16 October 2023 in accordance with the terms of the Equity Commitment Agreement.

#### (ii) *The Intra-Group Loan Agreement*

The Intra-Group Loan Agreement was entered into by each of SkyGem and Tahiti Wealth Holdings Limited (an entity under common control with ZQ) on 6 April 2023. Pursuant to the Intra-Group Loan Agreement, Tahiti Wealth Holdings Limited agreed to make available to SkyGem a term loan facility of £10,850,000 to finance the consideration for the Offer. The Intra-Group Loan Agreement is unsecured and amounts outstanding thereunder accrue interest at such rate as is agreed between Tahiti Wealth Holdings Limited and SkyGem from time to time. Amounts payable under the Intra-Group Loan Agreement are repayable by SkyGem to Tahiti Wealth Holdings Limited immediately on demand to the extent any amounts outstanding are no longer required to satisfy SkyGem's obligations under Rule 24.8 of the Code.

### (b) Allergy Therapeutics material contracts

Save for the Equity Commitment Agreement, the G306 Contingent Payment Letter, the Loan Facility and the Extension Facility, no member of the Allergy Therapeutics Group has, during the period beginning 5 April 2021 (being the date two years prior to the date of the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business. The following contracts have been entered into by the Allergy Therapeutics Group otherwise than in the ordinary course of business since 5 April 2021 (the date two years prior to the date of the commencement of the Offer Period) which are or may be material:

#### (i) *The G306 Contingent Payment Letter*

The G306 Contingent Payment Letter was entered into by each of Allergy Therapeutics, SkyGem International Holdings Limited and Southern Fox on 6 April 2023, as described in the Financing Announcement, pursuant to which each of the parties to the G306 Contingent Payment Letter agreed, *inter alia*, the terms on which a contingent payment would be made by Allergy Therapeutics in the event that amounts under the Loan Facility remained outstanding at the time of the announcement by Allergy Therapeutics of the results of the G306 Trial.

As at the date of this document, all amounts outstanding under the Loan Facility have been repaid in accordance with the terms of the Loan Facility and it is not anticipated that any contingent payment will be made pursuant to the G306 Contingent Payment Letter.

(ii) *The Loan Facility*

The Loan Facility was entered into by each of Allergy Therapeutics, SkyGem International Holdings Limited and Southern Fox on 6 April 2023, as described in the Financing Announcement, pursuant to which SkyGem International Holdings Limited and Southern Fox agreed to provide a £40.75 million facility to Allergy Therapeutics. On 5 May 2023 SkyGem International Holdings Limited transferred to SkyGem by way of novation all of its rights and obligations under the Loan Facility Agreement.

All amounts outstanding under the Loan Facility were repaid on 13 October 2023.

(iii) *The Equity Commitment Agreement*

Please see paragraph 8(a)(i) above for a description of the Equity Commitment Agreement.

(iv) *the Extension Facility*

On 26 September 2023, Allergy Therapeutics entered into the Extension Facility pursuant to which, subject to, amongst other things, the repayment of all amounts due under the Loan Facility and the grant of the Additional Security, SkyGem and Southern Fox have agreed, on an uncommitted basis, to make available to Allergy Therapeutics the Additional Facility Amount. Under the Extension Facility, the Additional Facility Amount may be drawn by Allergy Therapeutics during the period to 31 January 2024 with a minimum drawdown amount of £3 million per utilisation, and interest of 18 per cent. per annum shall be payable on any such amounts drawn. A drawdown under the Extension Facility shall require the consent of SkyGem and Southern Fox and as such the Additional Facility Amount does not represent committed funding. The Extension Facility must be repaid in full by 31 December 2025. To provide security for any amounts drawn under the Extension Facility, the existing security package under the Loan Facility Agreement will remain in place following repayment of the Loan Facility on or around completion of the Equity Financing and the Additional Security will be granted.

## **9. Bases of calculations and sources of information**

- (a) The aggregate value attributable to issued and to be issued share capital of Allergy Therapeutics of £47.91 million is calculated by multiplying the offered amount of 1 pence in cash per Allergy Therapeutics Share by Allergy Therapeutics' fully diluted share capital (as referred to in paragraph 9(b) below).
- (b) The fully diluted share capital of Allergy Therapeutics of 4,824,537,233 Allergy Therapeutics Shares is calculated on the basis of:
- (i) Allergy Therapeutics' issued share capital as at the close of business on the Latest Practicable Date, being 4,753,717,153 Allergy Therapeutics Shares;
  - (ii) 37,486,748 Allergy Therapeutics Shares which may be issued, or transferred out of treasury, on or after the date of this document to satisfy the exercise of options under the Allergy Therapeutics Long Term Share Incentive Plan 2013; and
  - (iii) 33,333,332 warrants to subscribe for 33,333,332 Allergy Therapeutics Shares.

References to a percentage of Allergy Therapeutics Shares are based on the number of Allergy Therapeutics Shares as set out in this paragraph 9(b).

- (c) The International Securities Identification Number for Allergy Therapeutics Shares is GB00B02LCQ05.
- (d) For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation.

- (e) Unless otherwise stated, all prices quoted for Allergy Therapeutics Shares have been derived from Factset and represent the Closing Price on the relevant date.
- (f) Certain figures included in this document have been subject to rounding adjustments.

#### **10. Financing arrangements and cash confirmation**

- (a) The cash consideration payable by SkyGem pursuant to the Offer will be financed by existing cash resources available to entities under common control with ZQ which have been transferred to SkyGem.
- (b) Cavendish, the financial adviser to SkyGem, confirms that it is satisfied that sufficient resources are available to SkyGem to enable it to satisfy in full the cash consideration payable to Allergy Therapeutics Shareholders in the event of full acceptance of the Offer.

#### **11. Significant change**

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Allergy Therapeutics Group since 30 June 2023, being the date to which the latest preliminary financial information published by Allergy Therapeutics Group was prepared.

#### **12. General**

- (a) Cavendish has given and not withdrawn its consent to the publication of this document with the inclusion herein of the references to its name in the form and context in which such references appear.
- (b) Panmure Gordon has given and not withdrawn its consent to the publication of this document with the inclusion herein of the references to its name in the form and context in which such references appear.
- (c) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between SkyGem or any person acting or presumed to be acting in concert with it and any of the Allergy Therapeutics Directors or recent directors, shareholders or recent shareholders of Allergy Therapeutics or any person interested or recently interested in Allergy Therapeutics Shares, having any connection with, or dependence upon, the Offer.
- (d) Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Allergy Therapeutics Shares to be acquired by SkyGem pursuant to the Offer will be transferred to any other person.
- (e) Save as disclosed in this document, SkyGem is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.

### 13. Offer related fees and expenses

- (a) The aggregate fees and expenses expected to be incurred by SkyGem in connection with the Offer (exclusive of any applicable VAT) are:

| <i>Category</i>                                       | <i>Amount (£)</i> |
|---|-------------------|
| Financial and corporate broking advice <sup>(1)</sup> | 1,000,000         |
| Legal advice <sup>(2)</sup>                           | 310,000           |
| Accounting advice                                     | 0                 |
| Public relations advice                               | 0                 |
| Other professional services <sup>(2) (3)</sup>        | 0                 |
| Other costs and expenses <sup>(2) (3)</sup>           | 4,150             |
| <b>Total</b>  | <b>1,314,150</b>  |

*Notes:*

- (1) A proportion of such fees are success-based and payable depending on the outcome of the Offer.
- (2) The fees are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.
- (3) These services may vary depending on the service volumes and types of services provided. Amounts included here reflect an estimate of the expected services required.

- (b) The aggregate fees and expenses expected to be incurred by Allergy Therapeutics in connection with the Offer (exclusive of any applicable VAT) are:

| <i>Category</i>                                | <i>Amount (£)</i> |
|--|-------------------|
| Financial and corporate broking advice         | 90,000            |
| Legal advice <sup>(1)</sup>                    | 330,000           |
| Accounting advice                              | 0                 |
| Public relations advice                        | 0                 |
| Other professional services <sup>(1) (2)</sup> | 15,000            |
| Other costs and expenses                       | 0                 |
| <b>Total</b>                                   | <b>435,000</b>    |

*Notes:*

- (1) The fees are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.
- (2) These services may vary depending on the service volumes and types of services provided. Amounts included here reflect an estimate of the expected services required.

### 14. Documents available for inspection

Copies of the following documents will be published on ZQ's website at [http://www.zqcap.com/microsite/agy\\_announcement.php](http://www.zqcap.com/microsite/agy_announcement.php) and Allergy Therapeutics' website at <http://www.allergytherapeutics.com/disclaimer> until the end of the Offer Period:

- (a) this document;
- (b) the Possible Offer Announcement;
- (c) the Firm Intention Announcement;
- (d) the GM Results Announcement;
- (e) the Equity Commitment Agreement;
- (f) the Intra-Group Loan Agreement;
- (g) the Loan Facility;
- (h) the irrevocable undertaking referred to in paragraph 6 of this Appendix III;
- (i) the articles of association of SkyGem;
- (j) the articles of association of Allergy Therapeutics;
- (k) the consent letters referred to in paragraphs 12(a) and (b) of this Appendix III;

- (l) the Form of Acceptance; and
- (m) the documents incorporated by reference (in accordance with Rule 24.15) in Appendix II to this document.

## APPENDIX IV

### DEFINITIONS

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

|   |   |
|---|---|
| <b>“Additional Facility Amount”</b>                                     | means the total principal sum of up to £15 million which, subject to the satisfaction of certain conditions in the Extension Facility including the consent of SkyGem and Southern Fox, may be drawn by Allergy Therapeutics under the terms of the Extension Facility; |
| <b>“Additional Security”</b>  | means a supplemental English law security over substantially all of the assets of Allergy Therapeutics and its subsidiaries incorporated in England and Wales securing the Additional Facility Amount;  |
| <b>“AIM”</b>  | means the market of that name operated by the London Stock Exchange;  |
| <b>“Allergy Therapeutics”</b>   | means Allergy Therapeutics plc a public company incorporated in England with company number 05141592;   |
| <b>“Allergy Therapeutics Board” or “Allergy Therapeutics Directors”</b> | means the board of directors of Allergy Therapeutics at the date of this document;  |
| <b>“Allergy Therapeutics Group”</b>                                     | Allergy Therapeutics and its subsidiary undertakings, each as amended from time to time;  |
| <b>“Allergy Therapeutics Independent Directors”</b>                     | means the Allergy Therapeutics Board, excluding Zheqing Shen, who are independent of the Offer;   |
| <b>“Allergy Therapeutics Long Term Share Incentive Plan 2013”</b>       | means the Allergy Therapeutics Long Term Share Incentive Plan 2013 (as amended);  |
| <b>“Allergy Therapeutics Shareholders”</b>                              | means holders of Allergy Therapeutics Shares;   |
| <b>“Allergy Therapeutics Shares”</b>                                    | means the ordinary shares of £0.01 each in the capital of Allergy Therapeutics;   |
| <b>“April Circular”</b>   | means the circular posted to Allergy Therapeutics Shareholders on 11 April 2023 which outlined details of the Equity Financing;   |
| <b>“Business Day”</b>   | means a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London;  |
| <b>“Cavendish”</b>  | means Cavendish Capital Markets Limited;  |
| <b>“certificated” or “in certificated form”</b>                         | means a share or other security, title to which is recorded in the relevant register as being held in certificated form;  |
| <b>“Closing Date”</b>   | means 9 November 2023;  |
| <b>“Closing Price”</b>  | means the closing middle market quotation of a share as derived from the Daily Official List of the London Stock Exchange;  |
| <b>“Code” or “Takeover Code”</b>  | means the City Code on Takeovers and Mergers, as amended from time to time;   |
| <b>“Companies Act”</b>  | means the Companies Act 2006, as amended from time to time;   |

|                                      |   |
|--------------------------------------|---|
| <b>“CREST”</b>                       | means the relevant system to facilitate the transfer of title to shares in uncertificated form (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);   |
| <b>“CREST member”</b>                | means a person who has been admitted by Euroclear as a system-member (as defined in the Regulations);   |
| <b>“CREST participant”</b>           | means a person who is, in relation to CREST, a system-participant (as defined in the Regulations);  |
| <b>“CREST payment”</b>               | has the meaning given in the CREST manual issued by Euroclear;  |
| <b>“CREST sponsor”</b>               | means a CREST participant admitted to CREST as a CREST sponsor;   |
| <b>“CREST sponsored member”</b>      | means a CREST member admitted to CREST as a sponsored member;   |
| <b>“Daily Official List”</b>         | means the Daily Official List of the London Stock Exchange;   |
| <b>“Dealing Disclosure”</b>          | has the same meaning as in Rule 8 of the Code;  |
| <b>“Electronic Acceptance”</b>       | means the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;  |
| <b>“Equity Announcement”</b>         | means Allergy Therapeutics’ announcement named ‘Result of Open Offer and Subscription’, confirming completion of the Equity Financing, announced on 13 October 2023;  |
| <b>“Equity Commitment Agreement”</b> | means the equity commitment agreement dated 6 April 2023 between Allergy Therapeutics, Southern Fox and SkyGem, details of which are set out in paragraph 8(a)(i) of Appendix III;  |
| <b>“Equity Financing”</b>            | means the subscription and the open offer, as initially announced in the Financing Announcement and completed on 16 October 2023;   |
| <b>“ESA instruction”</b>             | means an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear);   |
| <b>“Escrow Agent”</b>                | means Link Group in its capacity as escrow agent (as described in the CREST manual issued by Euroclear) for the purposes of the Offer;  |
| <b>“Euroclear”</b>                   | means Euroclear UK & International Limited;   |
| <b>“Exchange Act”</b>                | means the U.S. Securities Exchange Act of 1934;   |
| <b>“Extension Facility”</b>          | means the amendment to the Loan Facility Agreement by way of an amendment letter dated 26 September 2023 pursuant to which, subject to completion of the Equity Financing, the repayment of all amounts due under the Facility in full and the grant of the Additional Security, SkyGem and Southern Fox (subject to the consent of SkyGem and Southern Fox), have agreed to make available to Allergy Therapeutics the Additional Facility Amount on an uncommitted basis; |
| <b>“FCA”</b>                         | means the UK Financial Conduct Authority or its successor from time to time;  |

|   |  |
|---|--|
| <b>“Financing Announcement”</b>         | means Allergy Therapeutics’ announcement named ‘£40.75 million Loan Facility with Equity Financing’, announced on 6 April 2023;  |
| <b>“Form” or “Form of Acceptance”</b>   | means the form of acceptance and authority relating to the Offer, which may only be completed by holders of Allergy Therapeutics Shares in certificated form;  |
| <b>“G306 Contingent Payment Letter”</b> | means the contingent payment letter dated 6 April 2023 between Allergy Therapeutics, SkyGem International Holdings Limited and Southern Fox, details of which are set out in paragraph 8(b)(i) of Appendix III;  |
| <b>“G306 Trial”</b>                     | means Allergy Therapeutics Group’s pivotal Phase III G306 trial for Grass MATA MPL;  |
| <b>“G306 Trial Failure”</b>             | means if the G306 Trial is terminated or if G306 Trial Success does not occur;   |
| <b>“G306 Trial Success”</b>             | means in respect of the G306 Trial, the first date on which, using the primary efficacy measure, the investigational medicinal product has: (a) achieved an average treatment effect which is at least 25 per cent. higher in the treatment group compared to placebo; or (b) achieved a treatment effect that is less than 25 per cent. in the treatment group compared to placebo but (i) following consultation with the relevant regulatory authority, the results of the G306 Trial are stated by such regulatory authority to be sufficient to support the submission of a marketing authorisation application in Germany for the investigational medicinal product tested in the G306 Trial without conducting further phase III clinical trials (except for the commencement of the planned G308 multiyear paediatric study); or (ii) a marketing authorisation application is submitted in respect of the investigational medicinal product tested in the G306 Trial; |
| <b>“hard copy form”</b>                 | means a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read;   |
| <b>“HMRC”</b>                           | means HM Revenue & Customs;  |
| <b>“holder”</b>                         | means a registered holder (including any person(s) entitled by transmission);  |
| <b>“Intra-Group Loan Agreement”</b>     | means the Intra-Group Loan Agreement described in paragraph 8(a)(ii) above;  |
| <b>“Latest Practicable Date”</b>        | means 18 October 2023;   |
| <b>“Link Group”</b>                     | a trading name of Link Market Services Limited, a company incorporated in England and Wales with registered number 2605568;  |
| <b>“Loan Facility”</b>                  | means the secured term loan facility in an aggregate principal amount of £40.75 million made available to Allergy Therapeutics by Southern Fox and SkyGem pursuant to the Loan Facility Agreement;   |

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| <b>“Loan Facility Agreement”</b>        | means the senior secured facility agreement dated 6 April 2023 between, amongst others, Allergy Therapeutics and SkyGem International Holdings Limited (acting as arranger, agent, security agent and original lender) details of which are set out in Section A ( <i>The Facility Agreement</i> ) of Part II ( <i>Details of the Transaction</i> ) of the April Circular; |
| <b>“London Stock Exchange”</b>          | means London Stock Exchange plc or its successor from time to time;  |
| <b>“member account ID”</b>              | means the identification code or number attached to any member account in CREST;   |
| <b>“Offer”</b>                          | means the unconditional cash offer made by SkyGem to acquire the Allergy Therapeutics Shares subject to the terms described in this document and, in the case of certificated Allergy Therapeutics Shares, the Form of Acceptance and including, where the context so requires, any revision, variation, extension or renewal of such offer;                               |
| <b>“Offer Period”</b>                   | the offer period (as defined in the Takeover Code) relating to Allergy Therapeutics that commenced on 6 April 2023 and ending on the closing date of the Offer;  |
| <b>“Offer Price”</b>                    | means 1 pence per Allergy Therapeutics Share;  |
| <b>“Opening Position Disclosure”</b>    | means an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position;  |
| <b>“Options”</b>                        | means outstanding options granted pursuant to the Allergy Therapeutics Long Term Share Incentive Plan 2013;  |
| <b>“Overseas Shareholders”</b>          | means Allergy Therapeutics Shareholders whose registered address is outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom;  |
| <b>“Panel”</b>                          | means the UK Panel on Takeovers and Mergers;   |
| <b>“Panmure Gordon”</b>                 | means Panmure Gordon (UK) Limited;   |
| <b>“Participant ID”</b>                 | means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;   |
| <b>“Receiving Agent”</b>                | means Link Group in its capacity as the receiving agent for the purposes of the Offer;   |
| <b>“Regulations”</b>                    | means the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;   |
| <b>“Regulatory Information Service”</b> | means any regulatory information service as defined in the handbook of rules and guidance made by the FCA;   |
| <b>“Restricted Jurisdiction”</b>        | means any jurisdiction where the release, publication or distribution in whole or in part, in, into or from or where the extension of the Offer would constitute a violation of the relevant laws of the jurisdiction, in particular Australia, Canada, Japan or the Republic of South Africa;   |

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| <b>“SkyGem”</b>  | means SkyGem Acquisition Limited, a private limited company incorporated in England and Wales with registered number 11286999;   |
| <b>“SkyGem Directors”</b>                                    | means the board of directors of SkyGem from time to time;  |
| <b>“Southern Fox”</b>  | means Southern Fox Investments Limited;  |
| <b>“TFE instruction”</b>                                     | means a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear);   |
| <b>“TTE instruction”</b>                                     | means a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Allergy Therapeutics Shares in uncertificated form meeting the requirements set out in paragraph 14(g) of the letter from SkyGem in Part II of this document;   |
| <b>“UK” or “United Kingdom”</b>                              | means the United Kingdom of Great Britain and Northern Ireland;  |
| <b>“uncertificated” or “in uncertificated form”</b>          | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;  |
| <b>“United States of America” or “United States” or “US”</b> | means the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction;   |
| <b>“US GAAP”</b>   | means the US generally accepted accounting principles;   |
| <b>“Wider Allergy Therapeutics Group”</b>                    | means Allergy Therapeutics and any of its subsidiaries, subsidiary undertakings (as defined in the Companies Act) and associated undertakings and any other body corporate, partnership, joint venture or person in which Allergy Therapeutics and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or equivalent; |
| <b>“Wider SkyGem Group”</b>                                  | means SkyGem and its subsidiary undertakings (as defined in the Companies Act) and associated undertakings and any other body corporate, partnership, joint venture or person in which SkyGem and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or equivalent; and  |
| <b>“ZQ”</b>  | means funds managed by ZQ Capital Management Limited.  |

**In this document, unless the contrary is otherwise indicated:**

- “parent undertaking”, “subsidiary”, “subsidiary undertaking” and “undertaking” have the respective meanings given by the Companies Act and “associated undertaking” has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose);
- references to “£”, “pence”, “penny”, and “p” are to the lawful currency of the United Kingdom;
- all times referred to are London (UK) time unless otherwise stated;
- references to the singular include the plural and *vice versa* and words importing the masculine gender include the feminine or neutral;
- all references to legislation are to English legislation;

- any reference to a provision of any legislation shall include any amendment, modification, re-enactment or extension;
- references to any English legal term shall in respect of any jurisdiction other than England or in respect of any member of the Wider SkyGem Group or the Wider Allergy Therapeutics Group which is incorporated or operating in a jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term; and
- all references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

