Introduction

- We treat people with Allergic disorders
- Focused on the moderate to severe patients
- Providing treatments that cure the disease, not just treat symptoms
- Robust revenue growth and successful M&A delivered
- c.500 employees
- Spun-out from Smith Kline Beecham 1999
- Headquarters and manufacturing base in Worthing, West Sussex
- AIM listed: ticker AGY
Products

- Pollinex Quattro Platform
  - Grass (Phase II, US)
  - Birch (pre Phase III, Europe)
  - Acarovac (pre Phase I)

- Current (named patient and/or licenced)
  - Pollinex
  - Tyrosin
  - Oralvac
  - Synbiotics
  - Acarovac Plus

- New Pipeline
  - Polyvac
  - Adjuvants
Competitive Landscape

Tumultuous year for the industry:

- SLIT competitor manufacturing shutdown
- UK Biotech phase III study failure for cat allergen
- Key German competitor put up for sale
- MSD (Merck) dissolution of partnership in North America with European SLIT manufacturer
Strategy

- European business momentum increasing
- US opportunity opens up a potential $2bn* SIT market
- New therapeutic areas progressing according to plan

* Piper Jaffray Update on the AR market, Sept. 2008. Datamonitor
European Business

- Growth of 19% at constant rate (12% actual) in broadly flat market
- Gain of 2% market share to 12% this year
- Supply chain integrity and unparalleled customer service
- Alerpharma acquisition fully integrated
Sales breakdown

Sales by Country
- Germany, 59%
- Italy, 10%
- Spain, 9%
- Austria, 6%
- UK Market, 5%
- Netherlands, 4%
- Switzerland, 4%
- Czech + Slovak, 2%
- Other, 1%

Sales by Product¹
- Pollinex Quattro, 45%
- Oralvac, 17%
- Tyrosine S / TU, 4%
- TyroMILBE, 5%
- Acarovac Plus, 2%
- Other Third Party Products, 10%
- Diagnostics, 1%
- Venomil, 3%
- Pollinex, 14%

¹Sales breakdown based on gross sales at budget exchange rates (before freight, discounts, rebates and exchange) : £51.8 million. After deducting discounts, rebates, freight charges and foreign exchange adjustments, total sales for FY2016 is £48.5 million.
Current US SCIT market

- Home made preparation
- Non GMP manufacturing
- Non registered
- No clinical evidence
- Long courses of treatment: 50 to 100 injections
- Slow to act: 6 to 12 months
- Low compliance

Allergy Therapeutics’ entry in the US

- Standardised dose vaccine
- GMP manufactured
- FDA submission planned in 2020
- Multiple clinical studies
- Ultra- short course treatment: 4 injections
- Efficacy in 3 weeks
- High compliance

US PQ product opportunity
The US opportunity

- Immunotherapy is expected to grow at a CAGR of 11% to 2020*
- Estimated market: cost to payer $2 billion**
- Currently no registered injected products
- Clinical Development Plan for PQ Grass at dosage stage
- Opportunity fully funded to end of Phase III trial based on current assumptions
- Estimated peak grass sales US$300- US$400 million

*Visiongain, AR forecast 2014
**Piper Jaffray Update on the AR market, Sept. 2008. Datamonitor
Other developments

- Peanut Allergy
  - $8bn market
  - Currently no established and safe treatment
  - Pre clinical using Virus Like Particles going according to plan

- Dust Mite Allergy – Acarovac Plus/Quattro
  - Acarovac Plus on market and selling well in Spain
  - Acarovac Quattro about to start Phase I

- Adjuvant Systems – MCT, MPL & VLP

- Synbiotics: Synbiotics = Prebiotics + Probiotics
Financial Highlights

- 19% increase in revenue at constant currency to £51.5m (2015: £43.2m)*
- 12% increase in revenue to £48.5m (£43.2m)
- Core business excluding R&D shows 11% increase in Operating Profit to £4.3m (2015: £3.8m)
- Ramp up on R&D investment with £16.2m (2015: £3.1m) spent reflecting investment in PQ registration and pipeline
- Successfully raised £11.5m (gross) to fund new product development and organic and inorganic growth opportunities
- Strong cash balance of £23.4m at year end (2015: £21.2m)

* Constant currency uses prior year weighted average exchange rates to translate current year foreign currency denominated revenue to give a year on year comparison excluding the effects of foreign exchange movements. See table in financial review for an analysis of revenue.
Operational Highlights

- Increased market share in our main European markets to 12% (2015: 10%)
- Achieved primary endpoint for PQ Birch Phase II Study in Europe and selected dose to be used in Phase III starting in 2017
- Inconclusive results of Phase II dosing study in the US for Pollinex Quattro Grass
- Acarovac Plus™ one-year study showed statistically significant improvement for patients
- Acquisition of Virus Like Particle technology licence for the development of a potential new injectable vaccine immunotherapy treatment for allergy sufferers with peanut as lead project
Summary

- Strong trading in the 2015/16 financial year: +19% revenue growth at constant currency with gain in market share of competitive markets from 10% to 12%

- Moving forward R&D and regulatory maintenance projects

- Exciting pipeline progressing

- US opportunity delayed about 1 year, all additional costs to be self-financing but still expected to be first to launch SCIT product in US market

- Significant progress towards our long-term strategic plans
Outlook

- We expect to submit BLA for Pollinex Quattro Grass in 2020 with commercial launch in 2020/2021
  - We expect to be the first to market in the US SCIT Segment with a registered product
  - We aim to be market leaders in the SCIT allergy segment by 2020

- Phase III PQ Birch Trial for Europe to commence in 2017

- Phase I study for Acarovac Quattro due to start before end of Q2 2017

- We will be actively developing our M&A strategy

- We look forward to the future with confidence
  - Continued growth and expansion in European business
  - Future product development pipeline
  - Geographic expansion opportunities
Recent developments in US

- Demand for product that improves patient adherence
- Regulators clamping down on manufacturing standards in extracts
- Allergists coming under regulations of compounding pharmacies (USP797)
- Enforcement of 28 day shelf life of mixed extracts
- Drive towards single allergen treatment due to shelf life requirement
- Insurers pressure to reduce number of physician visits
Acarovac Plus – Next Generation Products for Short-Course Dust Mite Immunotherapy

- Acarovac Plus has undergone further clinical development building on success of 2014 publication and is top selling product in Spain this year

- A 1-year follow up study reveals a >50% reduction in symptom scores and significant improvement in clinical end-points accepted for publication in 2015

- Product approved for sale in Austria

- Developing Acarovac Quattro, an ultra-short course therapy utilising the adjuvant monophosphoryl lipid A (MPL), as used in successful Pollinex Quattro product range.

- CTA approval expected for Acarovac Quattro Phase I expected Q4 2016
The Peanut Allergy Opportunity

- Allergy acquired the exclusive right in November 2015 to develop Virus Like Particles (VLP) technology for allergy vaccines
- Carrier system to present allergens to immune system
- First development will be for peanut allergy
  - Currently no established and safe treatment available
- Commencing an R&D investment programme of c.£3m to progress programme through to start of Phase I trials over a 2-3 year period
- Peanut represents a new opportunity into $8bn* worldwide food allergy market
- Pre-clinical development progressing according to plan

*The Journal of Allergy and Clinical Immunology 2016. 1% of US population. EACCI Food Allergy and Anaphylaxis Guidelines Group 2016 0.2% of Western European Population. Management assumption of annual treatment of $2k
<table>
<thead>
<tr>
<th>Year</th>
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<tr>
<td>Nov 2016</td>
<td>Capital Markets Day</td>
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<td>Q4 2016</td>
<td>Europe – Clinical Trial Approval for PQ Birch 301</td>
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<td>Q4 2016</td>
<td>CTA Approval for Acarovac Quattro Phase I Trials</td>
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<td>Jan 2017</td>
<td>Trading Update</td>
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<td>Mar 2017</td>
<td>Half Year Results</td>
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P&L – Year to 30 June 2016

- Strong sales performance in all markets despite weaker Euro
- Strong sales drives Gross Profit growth and Gross Profit % up on constant basis
- Overheads
  - non-cash credit of £2.4m re. revaluation US $
  - £2.0m charge for hedging contracts
- Significant R&D investment in US Grass Study and PQ Birch in Europe
- Operating loss of £12m (2015: £0.7m profit) due to R&D investment

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<td>Profit after tax</td>
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<td>(13.2)</td>
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Allergoid
- Allergen chemically modified with glutaraldehyde
- Reduces IgE reactivity vs. that induced by native allergens used in SIT
- Retains IgG-allergen stimulating properties

MPL Adjuvant
- MPL (Monophosphoryl Lipid A) is a non-toxic derivative of lipopolysaccharide (LPS)
- Acts locally as a TLR4 agonist and increases IgG production
- Regulates expression of co-stimulatory molecules on antigen-presenting cells
- MPL allows the SIT treatment course to be shortened (big impact on adherence)

Micro Crystalline Tyrosine (MCT)
- A natural amino acid which is readily metabolized
- L-tyrosine retains the Allergoid and MPL at the site of injection (half life = 48 hours) as depot
- 30-year history of safe use in vaccines
- Rebalances TH1 response

Pollinex Quattro: 4 injections in 3 weeks, efficacy in 3 weeks
Keys to Success for PQ in the US

- Proprietary Technology
- IP Protected
- De-risked opportunity
  - Treated more than 250,000 patients and marketed in 7 countries

Building on Progress to date in the US:
- US$ 100 million invested in clinical studies to date
- 15 clinical trials completed to date, including Phase I, II & III successful studies
- Investigated in over 3,000 patients worldwide, mainly in the US

Strategic fit for US market*
- Pollinex Quattro is an injected product for an injected market

First mover advantage
- First to market in the seasonal injected segment
- High entry barriers: regulatory requirements for extensive trials on efficacy and safety

Source: *The Current States of Therapy for Allergic Rhinitis in the United States. Lawrence Du Buske, MD.
Key investment highlights

1. Lead product Pollinex Quattro, a proven, unique and highly differentiated allergy vaccination
2. Integrated, efficient and scalable platform technology
3. Strong late stage pipeline of aluminium-free allergy products
4. Well established European commercial presence through direct sales force & distributors
5. MHRA-approved manufacturing facility with significant headroom
6. Strong financial performance with trend over 16 years of gross sales growth
7. Focused on the US opportunity & strengthening position in European allergy rhinitis market