

Allergy Therapeutics plc
("Allergy Therapeutics", "ATL" or the "Group")

Trading update for the year ended 30 June 2021

- *Strong 2021 operating profit with revenue expected to be £84.3m, ahead of market expectations, up 8% (6% constant currency basis), helped by strong euro rate*
- *Expenses for 2021 significantly lower than expectations due to COVID-19*
- *Cash level record of £40.3m (2020: £37.0m)*
- *Results from the VLP Peanut ex-vivo biomarker study expected Q3 2021*
- *Grass MATA MPL programme on track with exploratory field study treatment phase complete and read out expected in H2 2021*
- *Successful ImmunoBON launches in Germany and Austria supported by encouraging clinical data*

14 July 2021 Allergy Therapeutics plc (AIM: AGY), the fully integrated commercial biotechnology company specialising in allergy immunotherapy, today announces its trading update for the year ended 30 June 2021.

Financials

The Group expects revenue to be £84.3m (2020: £78.2m) representing 8% annual growth on a reported basis and 6% on a constant* currency basis, reflective of a strong performance in challenging market conditions. Cost savings have been driven by COVID-19 related restrictions to travel and a reduction in scientific conference attendance, as well as delays to some commercial projects into 2022, which means that expenses for the 2021 year are expected to be significantly lower than market expectations. Further, some research and development expenditure originally expected in 2021 will now be incurred in 2022, due to phasing of those costs.

The cash balance at the end of June 2021 was £40.3m (30 June 2020: £37.0m).

Based on current assumptions and as previously stated, the Group expects to be able to fully fund the Grass MATA MPL pivotal Phase III field studies and the Phase I Peanut programme with existing cash resources and a small amount of additional debt.

Commercial

The pattern of the impact of COVID-19 seen earlier in the year has continued, with a solid Group performance in Germany and limited impact from patients not visiting clinics and hospitals. The Group has experienced weaker sales in Southern Europe with trading more heavily impacted than Northern Europe, owing to the restrictions on hospitals, where a greater number of allergy clinics are located. The regulatory environment continues to be challenging and the Group is managing this by investing in further market access and regulatory expertise.

Given the circumstances, the business has performed well and continues to look for innovative ways to expand its market and reach. ImmunoBON, the novel, patented protein-based oral product, which replicates the reduced allergic reactions seen in people who live on or close to livestock farms, targets mild allergy patients, the largest segment of the allergy market. The product has successfully launched in Germany and Austria and the latest data support its use as a treatment for birch and house dust mite allergies and potential across a broader patient population.

Pipeline

The Group expects results from the VLP Peanut ex-vivo biomarker study in Q3 2021. With patients now recruited and the study on schedule, after a short delay due to COVID-19 restrictions, the results will form an important part of the submission to the US Food and Drug Administration (FDA) for the opening of the Investigational New Drug (IND) application and pre-IND meeting, scheduled for autumn this year. Manufacturing batch scale up has been successfully achieved to maintain product supply through the development programme and the first in-human Phase I trial is expected to commence in Q1 2022.

The exploratory field study in the Grass MATA MPL clinical development programme, G309, is well underway with all patients treated and, as previously announced, read out is expected in H2 2021.

Manuel Lobet, CEO at Allergy Therapeutics, stated: *"The Group has performed strongly this year in challenging circumstances. Providing patients with novel, effective and convenient treatments is our focus at Allergy Therapeutics, alongside the development of a next-generation of innovative therapies. In the coming*

months, we very much look forward to the results from the VLP Peanut ex-vivo study and the Grass MATA MPL exploratory field trial - two studies that will signal significant progress in our pipeline."

*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.

This announcement contains inside information for the purposes of Article 7 of Regulatory (EU) No596/2014.

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Notes for editors:

About Allergy Therapeutics

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

Formed in 1999 out of Smith Kline Beecham, Allergy Therapeutics is headquartered in Worthing, UK with more than 11,000m² of state-of-the-art MHRA-approved manufacturing facilities and laboratories. The Group, which has achieved over 9% compound annual growth since formation, employs c.600 employees and is listed on the London Stock Exchange (AIM:AGY). For more information, please see www.allergytherapeutics.com.

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