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Allergy Therapeutics PLC
29 September 2022

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Allergy Therapeutics plc

("Allergy Therapeutics" or the "Company")

Subscription to Raise £7 million
Issue of Loan Notes to Raise £10 million
Issue of 33,333,332 Warrants

29 September 2022 Allergy Therapeutics (AIM: AGY), the fully integrated specialty pharmaceutical company specialising in allergy immunotherapy, today announces a conditional Subscription by the Subscribers, Southern Fox and ZQ Capital (acting through its affiliate SkyGem), to raise £7 million at an Issue Price of 20 pence per Ordinary Share and the issue to the Note Purchasers, Southern Fox and ZQ Capital, of Loan Notes to raise a further £10 million. In addition, in conjunction with the issue of Loan Notes, the Company will issue 33,333,332 Warrants to the Note Purchasers to subscribe for new Ordinary Shares at a Warrant Exercise Price of 30 pence per Warrant.

Net proceeds raised from the Subscription and Debt Financing will be used, *inter alia,* to complete the Group's Phase I peanut trial and Grass Phase III trial following trial design optimisation to increase the chances of success of these important trials. The Directors believe VLP Peanut, has the potential to become a best-in-class treatment for peanut allergy with a revenue potential of more than US$1 billion per annum whilst a successful Grass Phase III trial presents a significant future opportunity to grow grass allergy product sales by transitioning from named patient sales to registered product sales and launch in the United States. The trials are due to commence in 2022.

Pursuant to the terms of Subscription Letters and the Loan Note Agreement and subject to certain conditions including the passing of the Resolutions at the General Meeting, the Company has agreed to issue the Subscription Shares and the Loan Notes to Southern Fox and ZQ Capital (acting through its affiliate SkyGem in relation to the Subscription).

The Subscription and the Debt Financing are conditional, *inter alia*, on the passing of the Resolutions by the Shareholders at the General Meeting, which it is intended will be convened for 11 a.m. on 17 October 2022. If the Resolutions are passed, the Subscription Shares are expected to be allotted after the General Meeting, conditional on Admission, which is expected to occur on or around 8.00 a.m. on 19 October 2022. Should Shareholder approval not be obtained at the General Meeting, neither the Subscription nor the Debt Financing will proceed. Neither the Subscription nor the Debt Financing has been underwritten.

Set out below in Appendix I is an adapted extract from the draft Circular that is proposed to be sent to Shareholders which provides further information on the Company, the Subscription and the Debt Financing. The final Circular, containing the Notice of General Meeting will be sent to Shareholders and published on the Company's website on or around 29 September 2022.

The capitalised terms not otherwise defined in the text of this Announcement are defined in Appendix II and the expected timetable of the principal events is set out in Appendix III.

Manuel Llobet, Chief Executive Officer at Allergy Therapeutics, commented:
"This raise secures the remainder of the funding of the Phase I PROTECT trial, and progression into phase II, of VLP Peanut, our peanut allergy vaccine candidate, and funds the further development of our short-course grass pollen immunotherapy, Grass MATA MPL. These are two products that have the potential to become best-in-class allergy treatments and could offer a paradigm shift in the treatment of allergic disorders. I would like to thank our existing shareholders, Southern Fox and ZQ Capital, for their ongoing support and their belief in our

pioneering research to deliver transformational outcomes for allergy patients."

- ENDS -

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About Allergy Therapeutics

Allergy Therapeutics is an international commercial biotechnology company focused on the treatment and diagnosis of allergic disorders, including aluminium free immunotherapy vaccines that have the potential to cure disease. The Group sells proprietary and third-party products from its subsidiaries in nine major European countries and via distribution agreements in an additional ten countries. Its broad pipeline of products in clinical development includes vaccines for grass, tree and 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 11,000m^2 of state-of-the-art MHRA-approved manufacturing facilities and laboratories. The Group, which employs c.600 employees, is listed on the London Stock Exchange (AIM:AGY). For more information, please see www.allergytherapeutics.com.

IMPORTANT NOTICES

This Announcement has been issued by, and is the sole responsibility of, the Company.

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

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

This Announcement (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the United States or to US persons unless the securities are registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the Securities Act, in each case in accordance with any applicable securities laws and regulations of any state or jurisdiction of the United States. The securities referred to herein were offered and sold to non-US persons outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act. There was no public offer of securities in the United States.

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

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

Apart from the responsibilities and liabilities, if any, which may be imposed on Panmure Gordon by FSMA or the regulatory regime established thereunder, Panmure Gordon does not accept any responsibility whatsoever for the contents of this Announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction. Panmure Gordon accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this Announcement or any such statement.

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

The content of this Announcement has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (as amended).

FORWARD-LOOKING STATEMENTS

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

APPENDIX I

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

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

Introduction

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

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

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

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

Accordingly Shareholders are strongly encouraged to vote in favour of the Resolutions. The Notice of General Meeting convening a general meeting of the Shareholders to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m on 17 October 2022 for the purposes of considering and, if thought fit, passing the Resolutions will be included in the shareholder circular which will be published shortly.

Background to and reasons for the Transaction

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 ragweed pollen in addition to a peanut allergy vaccine. Adjuvant systems to boost performance of vaccines outside allergies are also in development.

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

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

The Directors believe the Group's VLP Peanut product has the potential to become a best-in-class treatment with a revenue potential of more than US$1 billion per annum and to provide long-term immune response in comparison to continual dosing required by other treatments. The vaccine candidate is based on a subcutaneous application of recombinant peanut

allergens coupled with a state-of-the-art virus-like particle (VLP) platform with the aim of inducing protective immunity.

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

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

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

The Group has made significant progress with its key pipeline programmes, Grass MATA MPL and VLP Peanut, with both set to start major clinical trials by the end of 2022. The Directors believe these high value and differentiated products underpin future entry into the commercially important US market which is valued at c.US$10 billion across both allergic rhinitis and food allergies.

VLP Peanut

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

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

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

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

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

PQ Grass

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

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

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

The G306 study is expected to involve approximately 1,200 patients over more than 100 trial sites in the EU and US. Successful completion of the trial is expected to enable the Group to register the Grass MATA MPL product under the TAV (Therapy Allergy Ordinance) process, subject to initiation of a paediatric trial, in Germany anticipated during 2025 and should also pave the way forward for registration via a Biological License Application (BLA) in the United States targeted for 2027 once the safety database is completed.

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

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

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

VLP Peanut Phase II Trial	P201	c.450	Trial to determine optimum dosing level and posology	- Move to Phase III efficacy trial

Use of proceeds

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

- the balance of Grass MATA MPL G306 pivotal field trial costs. The Company intends to allow patient numbers to increase to 1,200, which will reduce the probability of a trial result not reflecting the underlying performance of the product from 15 per cent. to 10 per cent., thereby de-risking the trial;

- initial funding of Grass MATA MPL G306b safety data base in relation to initial preparation for the trial which is due to start in Q3 2023. This trial reduces the final number of patients needed in the later G307 safety trial which is the last trial before filing for approval of Grass MATA MPL in the United States;

- the balance of the VLP Peanut PROTECT Phase I trial starting in H2 2022. As previously announced on 15 July 2022, complete funding of the trial required further financing;

- IMP batches for VLP Peanut Phase II trial to allow swift progression to Phase II trial, following a successful Phase I trial;

- funding of fixed costs of R&D; and

- initial funding to prepare for entry into the US commercial market for Grass.

Current trading and outlook

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

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

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

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

Details of the Transaction

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

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

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

passing of the Subscription Resolutions with respect to the Subscription and completion of the Subscription, such that if the Subscription does not complete, the Debt Financing will not complete. If the Resolutions are not passed, the Debt Financing will not complete.

Neither the Subscription nor the Debt Financing has been underwritten.

Loan Notes

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

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

The Loan Notes are repayable in full on the date falling five (5) years after the Purchase Date. Interest shall accrue on the principal amount of the Loan Notes outstanding at the rate of 8.25 per cent. plus the Bank of England Base Rate per annum.

The Company may at any time after the Purchase Date, repay (without penalty) the principal amount of all or a portion of the Loan Notes. The Loan Notes are also repayable on demand, at the option of the Noteholders, in the event of certain standard events of default occurring.

The Loan Notes will be subject to the terms of the Loan Note Agreement, further details of which are set out in the Circular.

Warrants

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

- Southern Fox: 16,666,666 Warrants; and
- ZQ Capital: 16,666,666 Warrants.

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

The Warrants are exerciseable for a period of five (5) years from the Purchase Date of the Loan Notes at an exercise price of 30 pence per Warrant (in whole or in part). The Warrants will be subject to the terms of the Loan Note Agreement and the Warrant Instrument, further details of which are set out in the Circular.

Subscription

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

- Southern Fox: 5,000,000 Subscription Shares; and
- ZQ Capital (acting through its affiliate SkyGem): 30,000,000 Subscription Shares.

The Issue Price was determined having regard to market conditions at the time the

Subscription Letters were entered into. The Issue Price of 20 pence represents a premium of 8.1 per cent. to the prior day's closing price of 18.5 pence per Ordinary Share.

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

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

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

Related Party Transaction

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

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

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

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

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

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

Irrevocable undertakings

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

(a) Southern Fox in respect of 144,321,539 Ordinary Shares (representing approximately 22.4 per cent. of the Company's issued share capital as at the Last Practicable Date);

(b) ZQ Capital (including the interests of SkyGem, ZQ Capital Limited and Shen Zhqing) in respect of 143,740,037 Ordinary Shares (representing approximately 22.3 per cent. of the Company's issued share capital as at the Last Practicable Date); and

(c) Abbott Laboratories (including the interests of Abbott Laboratories (Chile) Holdco SPA and Yissum Holdings Limited) in respect of 240,584,571 Ordinary Shares (representing approximately 37.4 per cent. of the Company's issued share capital as at the Last Practicable Date).

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

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

APPENDIX II
DEFINITIONS

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

"Act"	the Companies Act 2006
"**Admission**"	the admission to trading on AIM of the Subscription Shares in accordance with the AIM Rules, which is expected to take place on 19 October 2022
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require)
"**AIM Rules for Companies**"	the rules of AIM as set out in the publication entitled "AIM Rules for Companies" published by the London Stock Exchange from time to time
"**AIM Rules for Nominated Advisers**"	the rules of AIM as set out in the publication entitled "AIM Rules for Nominated Advisers" published by the London Stock Exchange from time to time
"**Business Day**"	any day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
"**Company**" or "**Allergy**"	Allergy Therapeutics plc, a public limited company incorporated in England and Wales with company number 05141592
"**CREST**"	the relevant system as defined in the CREST Regulations in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
"**Debt Financing**"	the unsecured financing of the Company comprised of the issue of the Loan Notes pursuant to the Loan Note Agreement and the issue of Warrants pursuant to the Loan Note Agreement and the Warrant Instrument
"**Debt Financing Resolutions**"	the resolutions to be proposed at the General Meeting relating to the Debt Financing, being the Resolutions 2 and 4, as set out in the Notice of General Meeting
"**Directors**"	the board of directors of the Company
"**Enlarged Share Capital**"	the 679,104,621 Ordinary Shares in issue immediately following Admission of the Subscription Shares (assuming no share issuances between the Last Practicable Date and Admission)
"**FSMA**"	the Financial Services and Markets Act 2000 (as amended)

"**General Meeting**"	the general meeting of the Shareholders of the Company to be held at the offices of Covington & Burling LLP, 22 Bishopsgate, London EC2N 4BQ at 11 a.m. on 17 October 2022, convened by the Notice of General Meeting
"**Group**"	the Company, its subsidiaries and subsidiary undertakings
"**Issue Price**"	20 pence per Subscription Share
"**Last Practicable Date**"	28 September 2022, being the latest practicable date prior to the publication of this announcement
"**Loan Note Agreement**"	the loan note instrument entered into between the Company and the Purchasers dated 29 September 2022, pursuant to which the Purchasers have agreed to purchase the Loan Notes on the terms and conditions set out therein
"**Loan Notes**"	the loan notes in the aggregate principal amount of £10,000,000 to be issued by the Company pursuant to the Loan Note Agreement
"**London Stock Exchange**"	London Stock Exchange plc
"**Note Purchasers**"	Southern Fox and ZQ Capital, as note purchasers in the Debt Financing
"**Noteholders**"	the holders of the Loan Notes for the time being
"**Notice of General Meeting**"	the notice of General Meeting
"**Ordinary Shares**"	ordinary shares of 0.1 pence each in the capital of the Company
"**Panmure Gordon**"	Panmure Gordon (UK) Limited, a private limited company incorporated and registered in England with No. 04915201 whose registered office is One New Change, London, EC4M 9AF, the Company's nominated adviser and broker
"**Purchase Date**"	means the date on which the Loan Notes are to be sold and purchased, which is expected to be 28 February 2023
"**Regulatory Information Service**" or "**RIS**"	a regulatory information service operated by the London Stock Exchange as defined in the AIM Rules for Companies
"**Resolutions**"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"**Shareholders**" and each being individually a "**Shareholder**"	the holders of Ordinary Shares for the time being
"**SkyGem**"	SkyGem Acquisition Limited, an affiliate of ZQ Capital
"**Southern Fox**"	Southern Fox Investments Limited
"**Subscribers**"	Southern Fox and ZQ Capital (acting through its affiliate SkyGem), as subscribers in the Subscription
"**Subscription**"	the subscriptions for the Subscription Shares by the Subscribers at the Issue Price pursuant to the Subscription Letters, conditional upon, *inter alia*, the passing of the Subscription Resolutions at the General Meeting
"**Subscription Letters**"	the: (i) subscription letter dated 29 September 2022 between the Company and Southern Fox pursuant to which Southern Fox agreed to subscribe for 5,000,000 Subscription Shares at the Issue Price; and

	(ii) subscription letter dated 29 September 2022 between the Company and SkyGem pursuant to which SkyGem agreed to subscribe for 30,000,000 Subscription Shares at the Issue Price
"**Subscription Resolutions**"	the resolutions to be proposed at the General Meeting relating to the Subscription, being the Resolutions 1 and 3, as set out in the Notice of General Meeting
"**Subscription Shares**"	35,000,000 new Ordinary Shares to be issued pursuant to the Subscription
"**Transaction**"	means the Debt Financing and the Subscription
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**US**" or "**United States**"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"**Warrant Exercise Price**"	the exercise price of the Warrants, being 30 pence per Warrant
"**Warrant Instrument**"	the warrant instrument proposed to be entered into by the Company by way of deed poll on the Purchase Date, pursuant to which the Company constituted the Warrants
"**Warrants**"	warrants to subscribe for 33,333,332 Ordinary Shares and which are exercisable at the Warrant Exercise Price and otherwise in accordance with the terms of the Warrant Instrument
"**ZQ Capital**"	ZQ Capital Management Limited

All references in this announcement to "**£**", "**pence**" or "**p**" are to the lawful currency of the United Kingdom.

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

APPENDIX III
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	***Date***
Announcement of the Transaction	29 September 2022
Latest time and date for receipt of proxy appointments for the General Meeting	11 a.m. on 13 October 2022
General Meeting	11 a.m. on 17 October 2022
Announcement of the results of the General Meeting	17 October 2022
Admission and commencement in dealings in the Subscription Shares expected to commence	19 October 2022
CREST stock accounts expected to be credited for Subscription Shares	19 October 2022
Share certificates for Subscription Shares expected to be dispatched	Within 10 Business Days of Admission

Purchase Date and issue of Loan Notes and Warrants	28 February 2023

Notes

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

2. References to times in this announcement are to London time unless otherwise stated.

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