

Allergy Therapeutics^{PLC}

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

Update on funding

16 October 2024 Allergy Therapeutics plc (AIM: AGY), the integrated commercial biotechnology company specialising in allergy vaccines, today provides an update on the Group's funding and working capital position.

The Company is pleased to announce that it has entered into a £40m secured senior loan facility (the "**Hayfin Facility**") with Hayfin Healthcare Opportunities LuxCo S.a.r.l., a fund advised by Hayfin Capital Management LLP ("**Hayfin**"), a leading alternative asset management firm.

The Hayfin Facility consists of a committed £20m five year term loan and an additional uncommitted £20m incremental facility. As part of these financing arrangements, the Company has also issued to Hayfin 131,603,616 warrants to subscribe for new ordinary shares, representing approximately 2.7% of the issued share capital of the Company, with a nominal exercise price of 0.1 pence per warrant and exercisable for a period of ten years from the date of issue. The Hayfin £20m loan is subject to an upfront arrangement fee and has a variable interest rate based on SONIA plus 9.5% per annum with interest payable based on Company selected interest periods.

Furthermore, following discussions with major shareholders, SkyGem Acquisition Limited (an affiliate of ZQ Capital Management Limited) and Southern Fox Investments Limited (together the "**Shareholder Lenders**"), the existing loan facility of £40m (the "**Shareholder Facility**"), details of which were announced on 27 December 2023 (the "**Shareholder Financing Announcement**"), has been increased to £50m and its term extended to October 2030. To date, £27.5m has been drawn and is outstanding under the Shareholder Facility, leaving an undrawn but uncommitted balance of £22.5m. The Shareholder Facility has been amended ("the Amended Shareholder Facility") to be unsecured and rank behind the Hayfin Facility. In addition, interest under the Shareholder Facility will no longer be paid and instead interest will be rolled up into capital.

The Company also confirms that it will be issuing 687,500,000 warrants to the Shareholder Lenders following announcement of the Company's preliminary results later this month in accordance with the terms of the Shareholder Facility and as set out in the Shareholder Financing Announcement. These warrants entitle the holders to subscribe for new ordinary shares at a price of 4 pence per share and are exercisable in whole or in part from 1 July 2024 until October 2030.

With the £20m committed Hayfin funding and £42.5m of uncommitted facilities, from both Hayfin and the Shareholder Lenders, the Group has access to substantial capital to continue to drive the business forward.

The Group continues to deliver against its plan of improvements to its operational and quality systems, this has paved the way for increased manufacturing capacity and a return to sales growth which will be further detailed in the preliminary results.

Manuel Llobet, Chief Executive Officer of Allergy Therapeutics, commented: "This long-term funding transaction, together with the continued progress of our key R&D programmes and an enhanced supply chain to enable top line growth, has largely removed our funding overhang and puts Allergy Therapeutics in the best strategic position for the future."

Howard Rowe, Head of Healthcare at Hayfin, commented: "Allergy Therapeutics represents the best of British pharmaceutical enterprise within the field of allergy treatments and we are delighted to support its R&D growth and continued commercial drive. The company aligns perfectly with Hayfin's ethos of supporting cutting-edge businesses in the healthcare sector looking for investment capital to deliver untapped potential."

Related Party Transaction

The Amended Shareholder Facility including the increase to £50m is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules for Companies by virtue of ZQ Capital (together with its affiliates, SkyGem, ZQ Capital and Zheqing (Simon) Shen) and Southern Fox being substantial shareholders of the Company (within the meaning of the AIM Rules for Companies).

The Directors of the Company who are independent of the Amended Shareholder Facility, being all of the Directors save for Zheqing (Simon) Shen and Anthony Parker consider, having consulted with its nominated adviser, Cavendish Capital Markets Limited, that the terms of the Amended Shareholder Facility including the increase to £50m are fair and reasonable insofar as the Company's shareholders are concerned.

This announcement contains inside information for the purposes of the UK Market Abuse Regulations.

Allergy Therapeutics

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About 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 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, house dust mite and peanut. For more information, please see www.allergytherapeutics.com.

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