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Allergy Therapeutics PLC
06 November 2024

Allergy Therapeutics PLC
("Allergy Therapeutics" or the "Group")

Audited Preliminary Results for the Year ended 30 June 2024

- *Financial turnaround progressing with revenue growth in the second half, marking the first period of half year growth since 2021*
- *EBITDA pre-R&D and exceptionals loss of £6.8m for the year (2023: loss £10.6m), an improvement of 36%*
- *Post period, strengthened cash position through new £40m Hayfin facility, comprising £20m committed five-year term loan and £20m uncommitted incremental facility*
- *Pivotal Phase III Grass MATA MPL trial (G306) successfully meets primary endpoint; clinical development expanded to paediatric population with commencement of G308 Phase III trial and positive discussions with regulators on pathway to marketing authorisation application (MAA) submission*
- *Phase I/IIa VLP Peanut PROTECT trial remains on target with healthy and peanut allergic patients receiving subcutaneous doses with no unexpected safety signals*

6 November 2024 Allergy Therapeutics (AIM: AGY), the fully integrated specialty pharmaceutical company specialising in allergy vaccines, today announces its audited preliminary results for the year ended 30 June 2024.

Highlights (including post-period events)

Financial

- Revenue of £55.2m (2023: £59.6m) from commercial portfolio, with encouraging H2 performance showing first period of half-year growth since 2021. Full year revenue impacted by supply constraints to key markets of Germany and Spain.
- Operating loss pre-R&D and exceptional costs improved to £11.1m (2023: £14.8m loss), reflecting successful implementation of cost control initiatives which have significantly reduced the Group's cost base pre-R&D.
- Exceptional costs of £1.2m consisting of one-off restructuring costs in connection with implementing the cost control initiatives.
- R&D investment increased to £22.9m (2023: £20.1m), reflecting continued advancement of key clinical programmes including pivotal Phase III G306 trial for Grass MATA MPL and VLP Peanut PROTECT study.
- Full year net loss of £40.2m (2023: net loss of £43.1m) despite the reduction in revenue and strategic increase in R&D costs.
- Completed a £40.75m equity financing in October 2023, the proceeds of which were used to repay amounts drawn at that time under the original shareholder loan facility ("Loan Facility") arranged with ZQ Capital Management Limited (acting through its affiliate SkyGem International Holdings Limited) and Southern Fox Investments. At 30 June 2024, £22.5m of the secured facility had been drawn with £17.5m of the uncommitted facility remaining
- Cash balance of £12.9m at 30 June 2024 (2023: £14.8m).

Post Period Financial Events

- Secured additional £5m funding support from major shareholders SkyGem Acquisition Limited and Southern Fox Investments Limited through existing amended loan facility.
- Strengthened cash position with new £40m Hayfin Healthcare Opportunities facility, comprising £20m committed five-year term loan and £20m uncommitted incremental facility. Arrangement includes issuance of warrants representing 2.7% of issued share capital.
- Increase of the amended Loan Facility from £40m to £50m.
- Implemented new Long Term Incentive Plan to align key leadership interests with long-term shareholder value creation and strategic objectives.

Operational

- Pivotal G306 Phase III trial to evaluate efficacy and safety of Grass MATA MPL met primary endpoint; positive discussions held with Paul Ehrlich Institut (PEI) on pathway to MAA submission in Q4 2024 under the TAV programme in Germany.
- Post period, commencement of G308, long term Phase III paediatric trial for Grass MATA MPL underway following the success of the pivotal G306 Phase III trial.

- Second cohort of peanut allergic patients in the Phase I/IIa VLP Peanut PROTECT trial completed dosing in September 2024 with up to 50-fold dose increase from initial dose. No relevant safety or tolerability findings observed in either peanut allergy patients or healthy subjects at higher doses. Preliminary biomarker analysis of efficacy expected by end of 2024.

Manuel Llobet, CEO of Allergy Therapeutics, stated: *"This year has been one of continued resilience, progress, and commitment. While navigating our challenges, we've remained laser-focused on what matters most - advancing our critical R&D programmes and strengthening our core operations.*

"I'm particularly proud of what we've achieved with our Grass MATA MPL programme, where our pivotal Phase III G306 trial delivered exceptional results, showing a 20.3% improvement over placebo. Our VLP Peanut PROTECT trial is also progressing well, with safety data that continues to reinforce our confidence in the programme, and we look forward to our first biomarker-led efficacy data expected in Q4 2024.

"On the operational side, we've made significant strides in enhancing our manufacturing capabilities and implementing effective cost controls across the business. Meanwhile, our commercial performance has shown encouraging signs, with revenue growth in the second half - our first such growth since 2021. With the recent Hayfin facility and continued backing from our major shareholders, we now have the financial foundation to advance our key R&D programmes, particularly the upcoming regulatory submission for Grass MATA MPL and the continued development of our VLP Peanut programme. Looking ahead, Allergy Therapeutics is in its strongest strategic position in years, and I'm excited about what we can achieve."

This announcement contains inside information for the purposes of the market abuse regulation (EU) no. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European (withdrawal) act 2018, as amended ("MAR").

- ENDS -

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Notes for editors:

About Allergy Therapeutics

Allergy Therapeutics is an international commercial biotechnology Group, headquartered in the UK, 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, house dust mite and peanut. For more information, please see www.allergytherapeutics.com.

Chairman and Chief Executive Officer Review

Introduction
This past year has been one of continued resilience, progress, and commitment.

Through our highly focused approach to the Group's business priorities and a steadfast commitment to our Grass and Peanut allergy R&D programmes, we have continued our financial recovery and achieved notable clinical progress. Both showcase our determination in the face of adversity and demonstrate how we live our values everyday.

We have committed to enhance the Group's manufacturing capabilities and reduce operating costs in all areas, pre-R&D and exceptionals, to ensure Allergy Therapeutics is on a strong footing for the future. Alongside these commitments and considering our challenges, our commercial business in Europe has performed well in its fundamentals. The second half of the year brought the first period of half year revenue growth seen since 2021, which the board believe signals the return to sustainable growth.

Board Composition
Throughout the year, there were changes in our Board composition. We were pleased to appoint Dr. Shaun Furlong as an Executive Director. Shaun has proven himself to be an invaluable asset to us since his appointment as Group Financial Controller in April 2022 and more recently as Chief Financial Officer in August 2023. We also welcomed David Ball as an independent Non-Executive Director and Chair of the Board's Audit and Risk Committee, bringing over 25 years of financial markets expertise to our team. Additionally, we bid farewell to Mary Tavener, who resigned from her position as a Non-Executive Director after five years of dedicated service, and we thank her for her contributions. As a result of these changes, we reviewed the membership of our Committees.

Financial Performance and Clinical Development - Two Halves

Two Halves - Financial Performance
This year was a year of two halves. On one side, financially, the Company continued to face challenges. Nonetheless, it continued to extend its cash runway with cost saving initiatives and by securing investment. On the other side, we have celebrated success in the clinical development of our products.

Following the satisfaction of FDI clearance conditions the open offer and subscription was launched. This led to the mandatory cash offer by SkyGem. These events saw a dramatic change to our shareholder base, approximately 93% of which now sits with SkyGem and Southern Fox. The loan facility provided by SkyGem and Southern Fox was amended twice in the period. In December 2023 we announced a £40m loan facility with SkyGem and Southern Fox, of which £7.5m was initially committed. Through successful discussions with our major shareholders, we have secured a further £15m drawdown from our existing facility. This additional funding extended our cash runway into

shareholders, we have secured a further £15m drawdown from our existing facility. This additional funding extended our cash runway into Q1 FY2025, providing us with the financial flexibility to advance our innovative R&D pipeline. We would like to express our gratitude to our shareholders for their continued support and trust in Allergy Therapeutics, which has been instrumental in our ability to pursue our growth objectives.

We have experienced two years of extraordinary events and acknowledge the effect this has had, particularly on minority shareholders, our employees who have navigated the financial constraints together with the Company every day and our communities, who we have had to support in a different way based on our cash runway.

Two Halves - Clinical development
Successes in our clinical development initiatives provide further drive to continue the pursuit of our goals.

Grass MATA MPL - a new approach to managing allergic rhinoconjunctivitis due to grass pollen
The successful completion of the pivotal Phase III G306 trial for Grass MATA MPL in November 2023 provided further evidence demonstrating the beneficial treatment effect of our grass pollen allergy immunotherapy candidate supporting our strategy to register the product with the Paul Ehrlich Institute (PEI) under the TAV programme in Germany.

The primary endpoint of G306 demonstrated a statistically significant improvement of 20.3% (p=0.00024) for Grass MATA MPL compared to placebo, providing evidence of a substantial reduction in daily symptoms and use of relief medication among participants receiving the immunotherapy candidate. A highly statistically significant improvement in the rhinoconjunctivitis quality of life questionnaire (p=0.0003) was also observed during the peak season and the protective biomarker immunoglobulin (IgG4), measured during the grass pollen season, showed an approximately five-fold increase after treatment with Grass MATA MPL compared to placebo (p<0.0001), consistent with data from the earlier G309 exploratory field trial.

These robust results support our plans for regulatory submission, with discussions progressing well with the PEI on the clinical data package and also in chemistry, manufacturing, and controls. We are on track for submission in Germany in calendar Q4 2024, positioning Grass MATA MPL as the first subcutaneous grass allergy immunotherapy registered via the TAV programme. Concurrently, we are exploring US registration opportunities, with plans to engage with the FDA regarding the clinical programme to meet US requirements.
Our long term paediatric trial, G308, has commenced marking another milestone toward regulatory approval. We are excited to bring this innovative therapy to market, addressing a critical need for new treatments for grass pollen allergies, which significantly impact the quality of life for many individuals.

Bringing Grass MATA MPL to this point in its development has been a huge undertaking for the Group, with significant investment. We are extremely encouraged by the possibility of bringing this state-of-the-art immunotherapy to the market. Grass pollen, a common cause of seasonal allergy, significantly impacts the lives of many people, and new treatment options are desperately needed. The continued investment, particularly over the last two years, has, of course, been challenging and we would like to especially thank the major shareholders SkyGem and Southern Fox for their support.

VLP Peanut - Delivering a paradigm shift in the treatment of peanut allergy
The clinical development of the Group's innovative, short-course peanut allergy vaccine candidate, VLP Peanut, via subcutaneous injection, is progressing well. We believe this product has the potential to be a ground-breaking, disease-modifying immunotherapy that could bring a significant positive impact to the lives of patients, families and health systems affected by peanut allergy,. As one of the most common food allergies, peanut allergies affect approximately 1-2% of the US population.

The Phase I/IIa PROTECT trial, our first-in-human study evaluating the safety and tolerability of VLP Peanut in healthy and peanut allergic adult subjects, has progressed over the past 12 months.

Our promising safety and tolerability data have provided a solid basis for the design of our upcoming Phase IIb study. Ahead of that, the PROTECT trial will generate the first biomarker-led efficacy data, among higher-dose peanut allergic patients. This data is expected to be available in Q4 2024.

Post Period Funding
Post period, on 15 October 2024, the Group 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").

Also on 15 October 2024, following discussions with major shareholders, SkyGem Acquisition Limited (an affiliate of ZQ Capital Management Limited) and Southern Fox Investments Limited (together the "ShareholderLenders"), the existing loan facility of £40m, details of which were announced on 27 December 2023, has been increased to £50m and its term extended to October 2030. For further information please see Note 21 below.

Outlook
Looking ahead, we remain focused on advancing our pipeline of innovative allergy vaccines, expanding our market presence, and delivering value to patients and shareholders alike. As we navigate the path forward, we remain committed to our mission of transforming the lives of people affected by allergies through our immunotherapy treatments.

Financial review

Overview
The financial turnaround of the Group continues to progress well, in line with expectations, with the Group experiencing revenue growth in the second half of the financial year, marking the first period of half year growth since 2021. Revenue for H2 increased by 2% to £21.6m (H2 2023: £21.2m).

Effective cost controls implemented during the year have significantly reduced the cost base of the Group. Total administrative expenses, pre-R&D and exceptionals, decreased by 13% to £42.4m (2023: £48.9m).

The Group has continued to selectively invest in its programme of clinical trials, with spend increasing by 14% to £22.9m (2023: £20.1m), which has delivered successful progression of patient cohorts in the VLP Peanut PROTECT trial and positive primary and secondary endpoints for the G306 Phase III Grass MATA MPL trial.

The Group made an operating loss pre-R&D and exceptional costs of £11.1m (2023: £14.8m loss). The loss is a consequence of the manufacturing capacity allocated to investigational medicinal product batches for use in clinical trials, and the ongoing programme of continuous improvement across the supply chain and quality systems paving the way for increased capacity.

The Group measures the commercial performance of the business by monitoring EBITDA pre-R&D and exceptionals (see Note 4), the Group achieved an EBITDA pre-R&D and exceptionals loss of £6.8m for the year (2023: loss £10.6m), an improvement of 36%.

The Company completed the £40.75m equity financing on 13 October 2023, proceeds of which were used to repay amounts drawn at that time under the shareholder loan facility with SkyGem Acquisition and Southern Fox, this restructured the Group's balance sheet enhancing financial stability and improving the net asset position.

Subsequent to the equity financing a further £40m secured loan facility was agreed with the shareholders, of which £7.5m was initially committed. As at 30 June 2024 £22.5m had been drawn from the facility, following further amounts becoming committed, and was used to fund the ongoing clinical trials, capital expenditure and working capital.

Thank you to our major shareholders, SkyGem Acquisition and Southern Fox, who have remained supportive of the Company throughout the period.

Revenue
Reported revenue decreased by 7% to £55.2m (2023: £59.6m). Revenue was down in Germany and Spain as a consequence of supply constraints, with sales outside of Germany and Spain remaining relatively flat or growing slightly. Germany continues to be our largest sales market which accounted for 49% (2023: 53%) of total revenue.

Revenue in H2 increased by 2% to £21.6m (H2 2023: £21.2m), representing the first period of half year growth seen since 2021, with higher sales of Pollinex and Pollinex Quattro compared to the prior period.

Gross profit
Cost of sales decreased to £25.5m (2023: £26.3m) reflecting the lower volume of sales. The gross margin was 54% (2023: 56%) reflecting the slightly lower sales contribution from Germany and Spain as a proportion of total sales, resulting in a gross profit of £29.7m (2023: £33.2m).

Operating expenses
Sales, marketing and distribution costs decreased by £4.1m to £19.6m (2023: £23.7m) mainly as a result of cost control activities.

Total administrative expenses were £6.5m lower than the prior year at £42.4m (2023: £48.9m) mainly due to the ongoing effective cost controls that have been implemented and have significantly reduced the cost base of the Group, a strong performance given the backdrop of continued elevated levels of inflation earlier in the year. The Group incurred £1.2m of one-off restructuring costs in connection with implementing the cost control initiatives, these have been treated as exceptional costs (see Note 6).

R&D expenditure rose by £2.8m due to investment in the G306 and G308 trials for Grass MATA MPL and the VLP Peanut PROTECT study.

Other income in the year of £1.5m (2023: £0.9m) was due to R&D tax credits in the UK and Spain.

Financing costs
Financing costs increased by £1.8m to £4.2m (2023: £2.4m) as a result of the greater usage of shareholder loans in the year primarily to fund its R&D program, capital expenditure and working capital.

Earnings per share
Basic loss per share for the year was (1.07) pence (2023: (6.43) pence), the main change being due to the issue of new shares in the year as a result of the completion of the £40.75m equity conversion in October 2023 which increased the number of issued ordinary shares.

Tax
The current year tax charge is predominantly comprised of liabilities for tax in the Spanish and German subsidiaries. The overall charge in the income statement is £1.1m (2023: £1.3m). As at 30 June 2024, the Group had approximately £170m of unutilised tax losses (2023: approximately £130m) available for offset against future profits.

Balance sheet
The Group has continued to develop the Energy Centre in Worthing to strengthen business continuity and establish independence from GSK. The Energy Centre is expected to be commissioned for use later in 2024. Property, plant and equipment additions in the year were £4.1m (2023: £6.3m) primarily reflecting investment in the Worthing Energy Centre and upgrade of plant in the UK.

Inventories have increased to £12.7m (2023: £11.6m) as the Company continues to stock build ahead of the next peak season following the impact of the temporary manufacturing pause in 2022.

Cash and cash equivalents decreased to £12.9m (2023: £14.8m). The operating cash outflow was £32.0m (2023: £28.4m) and £1.2m investing outflow (2023: £4.6m) offset by a net £31.4m inflow from financing activities (2023: £27.8m).

Retirement benefit obligations, which relate solely to the German pension scheme, increased to £8.6m (2023: £7.9m).
The increase in the liability was mainly driven by changes to financial assumptions with the discount rate at the end of the year decreasing to 3.85% from 4.16%

Net assets of the Group increased from £2.1m to £3.7m primarily reflecting the equity financing offset by the trading losses.

Currency
Group Treasury Policy mandates the use of forward exchange contracts to mitigate exposure to the effects of exchange rates where expenditure/income is committed and/or reasonably certain, however, throughout the financial year previous hedge contracts were allowed to complete and all hedging contracts came to an end in or around September 2023. This was due to security being transferred from our primary banking provider to the shareholders as security for the loans.

With over 85% of revenues and approximately 40% of costs (excluding research and development costs) denominated in Euros, and approximately 40% of research and development costs denominated in US dollars, movements in the currency markets may have an effect on the Group's operational finances. It is the Group's intention to reinstate its hedging policy as soon as practicable.

Financing
The Group completed a £40.75m equity financing on 13 October 2023 the proceeds of which were used to repay amounts drawn at that time under the original shareholder loan facility ("Loan Facility") arranged with ZQ Capital Management Limited (acting through its affiliate SkyGem International Holdings Limited) and Southern Fox Investments.

The Loan Facility agreement was amended twice (the "Amended Loan Facility"), on 27 September 2023 and subsequently on 27 December 2023.

The Amended Loan Facility provided the Group with a £40.0m secured loan facility of which £7.5m was committed from the outset and £32.5m initially uncommitted. The Amended Loan Facility was available to be drawn down until 15 January 2026 with interest payable semi-annually at 12% per annum and a repayment date of 15 January 2027. The Company issued warrants to the Lenders following each drawdown under the Amended Loan Facility entitling the holders to subscribe for new ordinary shares at a price of 4 pence per share. The entitlement to warrants is 25 warrants for each £1 drawn down up to a maximum of 1,000,000,000 warrants. The warrants are exercisable in whole or in part from 1 July 2024 until 15 January 2027. The Company has agreed that the proceeds of the warrants will be used to repay the principal amounts outstanding under the Amended Loan Facility.

At 30 June 2024, £22.5m of the secured facility had been drawn with £17.5m of the uncommitted facility remaining.

On 15 October the Group 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"). 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 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

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 committed 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.

Also on 15 October, the Amended Loan Facility, was increased to £50m and its term extended to October 2030. The Amended Loan Facility has been further amended to be unsecured and is subordinate in ranking to the Hayfin Facility. In addition, interest will no longer be paid and instead interest will be rolled up into capital.

As explained more fully in Note 1, basis of preparation, the Directors have adopted the Going Concern basis in preparing the audited consolidated financial statements.

Post balance sheet events
Please refer to Note 21 for details of events after the balance sheet date.

Consolidated income statement

for the year ended 30 June 2024

	Note	**Year to 30 June 2024 £'000**	**Year to 30 June 2024 £'000**	Year to 30 June 2023 £'000	Year to 30 June 2023 £'000
Revenue	3		**55,199**		59,587
Cost of sales			**(25,462)**		(26,342)
Gross profit			**29,737**		33,245
Sales, marketing and distribution costs		**(19,591)**		(23,705)	
Administration expenses - other		**(22,790)**		(25,179)	
Total administrative expenses			**(42,381)**		(48,884)
Other income	7		**1,526**		856
Operating loss pre-R&D and exceptional costs			**(11,118)**		(14,783)
Research and development costs			**(22,900)**		(20,121)
Exceptional costs	6		**(1,239)**		(4,750)
Operating loss			**(35,257)**		(39,654)
Finance income	9		**285**		329
Finance expense	8		**(4,194)**		(2,441)
Loss before taxes			**(39,166)**		(41,766)
Income tax			**(1,050)**		(1,305)
Loss for the year			**(40,216)**		(43,071)
Loss per share	10				
Basic (pence per share)			**(1.07)p**		(6.43)p
Diluted (pence per share)			**(1.07)p**		(6.43)p

Consolidated statement of comprehensive income

for the year ended 30 June 2024

	Note	**Year to 30 June 2024 £'000**	Year to 30 June 2023 £'000
Loss for the year		**(40,216)**	(43,071)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligations	18	**(617)**	603
Remeasurement of investments - retirement benefit assets	12	**549**	(867)
Revaluation gains -land and buildings	11	**281**	428
Deferred tax movement -land and buildings		**(30)**	-
Total other comprehensive income		**183**	164
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(86)**	193
Total comprehensive loss		**(40,119)**	(42,714)

Consolidated statement of financial position

as at 30 June 2024

	Note	**30 June 2024 £'000**	30 June 2023 £'000
Assets			
Non-current assets			
Property, plant and equipment - right-of-use assets	11	**7,457**	8,465
Property, plant and equipment - other	11	**16,288**	14,776
Intangible assets - goodwill		**3,317**	3,346
Intangible assets - other		**1,370**	1,790
Investments - retirement benefit assets	12	**2,913**	4,866
Total non-current assets		**31,345**	33,243
Current assets			
Inventories	13	**12,744**	11,593
Trade and other receivables	14	**7,823**	7,088
Cash and cash equivalents		**12,915**	14,845

Cash and cash equivalents			
Total current assets		**33,482**	33,526
Total assets		**64,827**	66,769
Liabilities			
Current liabilities			
Trade and other payables	**15**	**(15,940)**	(16,683)
Borrowings	16	**(600)**	(648)
Provisions	17	**(2,489)**	-
Lease liabilities		**(1,516)**	(1,155)
Derivative financial instruments		**-**	(79)
Total current liabilities		**(20,545)**	(18,565)
Net current assets		**12,937**	14,961
Non-current liabilities			
Retirement benefit obligations	18	**(8,611)**	(7,917)
Deferred taxation liability		**(382)**	(454)
Provisions	17	**(2,708)**	(3,581)
Lease liabilities		**(6,372)**	(7,747)
Long-term borrowings	16	**(22,500)**	(26,439)
Total non-current liabilities		**(40,573)**	(46,138)
Total liabilities		**(61,118)**	(64,703)
Net assets		**3,709**	2,066
Equity			
Capital and reserves			
Issued share capital	19	**4,776**	689
Share premium		**154,639**	119,030
Merger reserve		**40,128**	40,128
Reserve - share-based payments		**408**	2,906
Revaluation reserve		**1,782**	1,501
Reserve - warrants		**1,719**	412
Foreign exchange reserve		**(816)**	(730)
Retained earnings		**(198,927)**	(161,870)
Total equity		**3,709**	2,066

Consolidated statement of changes in equity

for the year ended 30 June 2024

	Issued capital £'000	Share premium £'000	Merger reserve £'000	Reserve - share - based payment £'000	Revaluation reserve £'000	Reserve - warrants £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
At 30 June 2022	654	112,576	40,128	2,799	1,073	-	(923)	(118,542)	37,765
Exchange differences on translation of foreign operations	-	-	-	-	-	-	193	-	193
Valuation gains taken to equity (land and buildings)	-	-	-	-	428	-	-	-	428
Remeasurement of net defined benefit liability	-	-	-	-	-	-	-	603	603
Remeasurement of investments - retirement benefit assets	-	-	-	-	-	-	-	(867)	(867)
Total other comprehensive (loss)/income	-	-	-	-	428	-	193	(264)	357
Loss for the period after tax	-	-	-	-	-	-	-	(43,071)	(43,071)
Total comprehensive loss	-	-	-	-	428	-	193	(43,335)	(42,714)
Transactions with owners:									
Share-based payments	-	-	-	114	-	-	-	-	114
Shares issued	35	6,454	-	-	-	-	-	-	6,489
Transfer of exercised/lapsed options to retained earnings	-	-	-	(7)	-	-	-	7	-
Warrants issued	-	-	-	-	-	412	-	-	412
At 30 June 2023	689	119,030	40,128	2,906	1,501	412	(730)	(161,870)	2,066
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(86)	-	(86)
Valuation gains taken to equity (land and buildings)	-	-	-	-	281	-	-	-	281
Deferred tax - land and buildings	-	-	-	-	-	-	-	(30)	(30)
Remeasurement of net defined benefit liability	-	-	-	-	-	-	-	(617)	(617)
Remeasurement of investments - retirement benefit assets	-	-	-	-	-	-	-	549	549
Total other									

Total other comprehensive income	-	-	-	-	281	-	(86)	(98)	97
Loss for the period after tax	-	-	-	-	-	-	-	(40,216)	(40,216)
Total comprehensive loss	-	-	-	-	281	-	(86)	(40,314)	(40,119)
Transactions with owners:									
Share-based payments	-	-	-	759	-	-	-	-	759
Shares issued	4,087	36,672	-	-	-	-	-	-	40,759
Share issue costs	-	(1,063)	-	-	-	-	-	-	(1,063)
Transfer of exercised/lapsed options to retained earnings	-	-	-	(3,257)	-	-	-	3,257	-
Warrants issued	-	-	-	-	-	1,307	-	-	1,307
At 30 June 2024	**4,776**	**154,639**	**40,128**	**408**	**1,782**	**1,719**	**(816)**	**(198,927)**	**3,709**

Consolidated cash flow statement

for the year ended 30 June 2024

	Note	**Year to 30 June 2024 £'000**	Year to 30 June 2023 £'000
Cash flows from operating activities			
Loss before tax		**(39,166)**	(41,766)
Adjustments for:			
Finance income	9	**(285)**	(329)
Finance expense	8	**4,194**	2,441
Non-cash movement on defined benefit pension scheme		**121**	(79)
Depreciation and amortisation		**4,319**	4,224
R&D tax credit	7	**(1,526)**	(856)
Charge for share-based payments		**759**	114
Payments for retirement benefit investments	12	**(19)**	(159)
Movement in fair valuation of derivative financial instruments		**(79)**	(37)
Decrease in trade and other receivables		**144**	3,380
Increase in inventories		**(1,239)**	(183)
Increase in trade and other payables		**788**	4,818
Net cash used by operations		**(31,989)**	(28,432)
Income tax paid		**(149)**	(449)
Net cash used by operating activities		**(32,138)**	(28,881)
Cash flows from investing activities			
Interest received		**135**	82
Payments for property, plant and equipment		**(3,401)**	(4,669)
Receipts from disposal of investment assets		**2,067**	-
Net cash used in investing activities		**(1,199)**	(4,587)
Cash flows from financing activities			
Proceeds from issue of equity shares		**2,417**	7,000
Share issue expenses		**(1,062)**	(511)
Proceeds of bank borrowings		**514**	-
Repayment of bank loan borrowings		**(647)**	(961)
Interest paid on bank loan borrowings		**(86)**	(2,117)
Repayment of principal on lease liabilities		**(1,734)**	(1,281)
Interest paid on lease liabilities		**(295)**	(334)
Proceeds from shareholder loan		**36,575**	36,000
Repayment of shareholder loan		**(2,135)**	(9,288)
Interest paid on shareholder loan		**(2,116)**	(712)
Net cash generated from financing activities		**31,431**	27,796
Net decrease in cash and cash equivalents		**(1,906)**	(5,672)
Effects of exchange rates on cash and cash equivalents		**(24)**	2
Cash and cash equivalents at the start of the period		**14,845**	20,515
Cash and cash equivalents at the end of the period		**12,915**	14,845
Cash at bank and in hand		**12,915**	14,845

Notes to the financial statements

For the year ended 30 June 2024

1. Basis of preparation

The financial information in this announcement has been extracted from the Group's Annual Report and Accounts for the year ended 30 June 2024 and is prepared in accordance with UK-adopted International Accounting Standards.

Whist the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS), this announcement itself does not contain sufficient information to comply with IFRS. The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006.

Statutory accounts for the years ended 30 June 2024 and 30 June 2023 have been reported on by the independent auditor. The independent auditor's report for the years ended 30 June 2024 and 30 June 2023 were unqualified. The report for the year ended 30 June 2023 drew attention to a material uncertainty related to going concern, the report for the year ended 30 June 2024 did not draw attention to any matters by way of emphasis. The reports for the years ended 30 June 2024 and 30 June 2023 did not contain a statement under

section 498(2) or (3) Companies Act 2006. Statutory accounts for the year ended 30 June 2023 have been delivered to the Registrar of Companies and those for the year to 30 June 2024 will be delivered following the Company's annual general meeting.

The consolidated financial statements for the year ended 30 June 2024 (including comparatives) have been prepared under the historical cost convention modified by the revaluation of certain items, as stated in the accounting policies.

New standards adopted
There are no IFRS or IAS interpretations that are effective for the first time in this financial period that have had a material impact on the Group.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group
At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Going concern
The going concern period has been assessed as the period from the date of approval of the financial statements to 30 November 2025. The financial statements have been prepared on a going concern basis after considering the Group's and the Company's current cash position and reviewing budgets and cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements.

On 15 October 2024 the Group 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. The Hayfin Facility consists of a committed £20m five year term loan which has been fully drawn and an additional uncommitted £20m incremental facility.

Furthermore, following discussions with the major shareholders, SkyGem Acquisition and Southern Fox (together the "Shareholder Lenders"), the existing loan facility of £40m (the "Shareholder Facility"), details of which were announced on 27 December 2023, 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 Group continues to require funding for the foreseeable future, in particular to fund the ongoing R&D programme. With the £20m committed Hayfin funding and £42.5m of uncommitted facilities, from both Hayfin and the Shareholder Lenders, the Group has access to sufficient funding. The Directors have confidence in the ability to access at least £20m of the uncommitted funding during the next twelve months with the shareholders undertaking that funding would be available from them including under the Amended Shareholder Facility in the event that it was required. Furthermore, in severe but plausible downside scenarios the group has the ability to preserve cash through the deferral of capital expenditure and other spend items.

The Directors have prepared cash flow forecasts for the period to 30 November 2025 based on the binding arrangements in place for funding with Hayfin and representations provided by the Shareholder Lenders over the Group's ability to access funding under the Amended Shareholder Facility. These forecasts show that the Group has access to sufficient funds for the 12 month going concern review period.

2. Use of accounting estimates and judgements
The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements
a) Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At 30 June 2024 the Group had £170m (2023: £130m) of unutilised tax losses available for offset against future profits. At the UK's current rate of corporation tax the unutilised tax losses equate to a potential deferred tax asset of £40.8m; all of this potential deferred tax asset is unrecognised at the balance sheet date as there is not currently sufficient convincing evidence that taxable profits will be available against which these losses will be utilised in the foreseeable future. Management reassesses the probable availability of future taxable profits on a regular basis.

Estimates and assumptions
a) The Group operates equity-settled share-based compensation plans for remuneration of its employees comprising LTIP schemes. As explained in Note 30, employee services received in exchange for the grant of any share-based compensation are measured at their fair values and expensed over the vesting period. The fair value of this compensation is dependent on whether the provisional share awards will ultimately vest, which in turn is dependent on future events which are uncertain. The Directors use their judgement and experience of previous awards to estimate the probability that the awards will vest, which impacts the fair valuation of the compensation.
The key variables to be estimated are the number of awards that will lapse before the vesting date due to leavers, and the number of awards that will vest in relation to the non-market condition performance tests. The sensitivity to these variables can be seen in the table in Note 30.

b) The Group operates a partly funded non-contributory defined benefit pension scheme for certain employees in Germany. The defined assets and liabilities of this scheme and the related investments - retirement benefit assets are estimated using actuarial methods by third party experts. The net defined benefit liability is most sensitive to changes in the discount rate applied, see Note 28 for sensitivity analysis.

3. Revenue
An analysis of revenue by category is set out in the table below:

	2024	2023
	£'000	£'000
Sale of goods at a point in time	**55,199**	59,587
	55,199	59,587

All revenue recognised in the income statement is from contracts with customers. No assets were recognised from costs to obtain or fulfil a contract with any customer.

4. Alternative performance measures ("APMs")
The Group's APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

EBITDA
Earnings before interest, tax, depreciation and amortisation (EBITDA) is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group.

	Note	2024	2023

	Note	2024 £'000	2023 £'000
Loss before taxation		**(39,166)**	(41,766)
Net finance expense	**11,12**	**3,909**	2,112
Depreciation	**18**	**3,787**	3,670
Amortisation	**17**	**532**	554
EBITDA		**(30,938)**	(35,430)

EBITDA pre-R&D and exceptionals

Earnings before interest, tax, depreciation, amortisation, research and development and exceptionals (EBITDA pre-R&D and exceptionals) is included as an alternative performance measure in order to aid users in understanding the underlying operating performance of the Group.

These can be reconciled to the IFRS measure of loss before taxation as below:

	2024 £'000	2023 £'000
EBITDA	**(30,938)**	(35,430)
Research and development	**22,900**	20,121
Exceptional costs	**1,239**	4,750
EBITDA pre-R&D and exceptionals	**(6,799)**	(10,559)

5. Segmental reporting

The Group's operating segments are reported based on the financial information provided to the Executive Directors, who are defined as the CODM, to enable them to allocate resources and make strategic decisions. In the opinion of the Directors, there is one class of business, being the manufacture and sale of allergy-related medicines.

The CODM reviews information based on geographical market sectors and assesses performance at an EBITDA (operating loss before interest, tax, depreciation and amortisation) and operating loss level. Management have identified that the reportable segments are Central Europe (which includes the following operating segments: Germany, Austria, Switzerland and the Netherlands), Southern Europe (Italy, Spain and Other), the Rest of the World (including the UK).

For all material regions that have been aggregated, management consider that they share similar economic characteristics. They are also similar in respect of the products sold, types of customer, distribution channels and regulatory environments.

Revenue by segment

	Revenue from external customers 2024 £'000	Inter-segment revenue 2024 £'000	Total segment revenue 2024 £'000	Revenue from external customers 2023 £'000	Inter-segment revenue 2023 £'000	Total segment revenue 2023 £'000
Central Europe						
--Germany	**27,298**	**-**	**27,298**	31,755	-	31,755
--Austria	**4,947**	**-**	**4,947**	4,903	-	4,903
--Netherlands	**4,062**	**-**	**4,062**	4,017	-	4,017
--Switzerland	**2,864**	**-**	**2,864**	2,838	-	2,838
	39,171	**-**	**39,171**	43,513	-	43,513
Southern Europe						
--Italy	**3,074**	**-**	**3,074**	3,053	-	3,053
--Spain	**8,878**	**-**	**8,878**	9,379	-	9,379
--Other	**368**	**-**	**368**	396	-	396
	12,320	**-**	**12,320**	12,828	-	12,828
Rest of World (including UK)	**3,708**	**30,412**	**34,120**	3,246	28,731	31,977
	55,199	**30,412**	**85,611**	59,587	28,731	88,318

Revenues from external customers in all segments are derived principally from the sale of a range of pharmaceutical products designed for the immunological treatment of the allergic condition.

Rest of World (including UK) revenues include sales through distributors and agents in several markets including the Czech Republic, Slovakia and South Korea. Inter-segment revenues represent sales of product from the UK to the operating subsidiaries. The price is set on an arm's-length basis which is eliminated on consolidation.

The CODM also reviews revenue by segment on a budgeted constant currency basis, to provide relevant year-on-year comparisons.

The Group has no customers which individually account for 10% or more of the Group's revenue.

Depreciation and amortisation by segment

	2024 £'000	2023 £'000
Central Europe	**1,265**	1,217
Southern Europe	**831**	740
Rest of World (including UK)	**2,223**	2,267
	4,319	4,224

EBITDA by segment

	2024 £'000	2023 £'000
Allocated EBITDA		
Central Europe	**2,079**	(252)
Southern Europe	**1,585**	1,362
Rest of World (including UK)	**(34,602)**	(36,540)
Allocated EBITDA	**(30,938)**	(35,430)
Depreciation and amortisation	**(4,319)**	(4,224)
Operating loss	**(35,257)**	(39,654)
Finance income	**285**	329
Finance expense	**(4,194)**	(2,441)
Loss before tax	**(39,166)**	(41,766)

Total assets by segment

	2024	2023
	£'000	£'000
Central Europe	**31,031**	25,522
Southern Europe	**13,815**	10,555
Rest of World (including UK)	**77,788**	75,041
	122,634	111,118
Inter-segment assets	**(20,518)**	(11,558)
Inter-segment investments	**(37,289)**	(32,791)
Total assets per balance sheet	**64,827**	66,769

Included within Central Europe are non-current assets to the value of £2.5m (2023: £2.6m) relating to goodwill and within Southern Europe assets to the value of £3.0m (2023: £3.7m) relating to land and buildings and £0.8m goodwill (2023: £0.8m). There were no material additions (excluding foreign exchange differences) to non-current assets in any country except the UK where non-current asset additions totalled £3.0m and comprised plant and machinery £2.9m, fixtures and fittings £0.05m and computer equipment £0.05m, (2023: £4.3m total).

Total liabilities by segment

	2024	2023
	£'000	£'000
Central Europe	**(23,290)**	(22,234)
Southern Europe	**(7,204)**	(6,553)
Rest of World (including UK)	**(51,142)**	(47,474)
	(81,636)	(76,261)
Inter-segment liabilities	**20,518**	11,558
Total liabilities per balance sheet	**(61,118)**	(64,703)

6. Exceptional items

	2024	2023
	£'000	£'000
Restructuring costs	**1,239**	-
Fundraising costs	**-**	2,681
German rebate provision	**-**	2,069
	1,239	4,750

Restructuring costs
During the year ended 30 June 2024, the Group incurred £1.2m of one-off costs, predominantly for the payment of termination benefits, in connection with implementing a number of cost control initiatives aimed at significantly reducing the ongoing cost base of the Group.

Fundraising costs
For the year ended 30 June 2023, the Group incurred costs of £2.7m relating to consultancy in connection with a material gap in funding caused by a short-term pause in production which occurred during October and November 2022. A number of debt and equity transactions were carried out during the period; where costs met the definition of transaction costs as set out in IFRS9 they were included as part of the initial recognition of the relevant liability or equity instrument. Where costs were one-off and exceptional in nature but were not directly attributable to the acquisition of a specific financial liability or equity issuance they were taken to the consolidated income statements as exceptional expenses.

German rebate provision
In the prior year, the Group's German subsidiary received notification from the German national health insurance association that manufacturers' rebates were due for the sale of certain products. Whilst the legal situation was still being clarified, the Group made a provision for the best possible estimate of the amounts to be reimbursed. Amounts in respect of the year ended 30 June 2023 were taken to the consolidated income statement as a reduction of revenue, amounts in respect of earlier periods were taken to the consolidated income statement as an exceptional expense so as not to distort 2023 revenue.

7. Other income

	2024	2023
	£'000	£'000
R&D tax credit	**1,526**	856

8. Finance expense

	2024	2023
	£'000	£'000
Interest on shareholder loans	**3,495**	1,824
Net interest expenses on defined benefit pension liability	**317**	283
Interest on lease liabilities	**295**	334
Other	**87**	-
	4,194	2,441

9. Finance income

	2024	2023
	£'000	£'000
Bank interest	**135**	82
Interest on investment assets	**150**	247
	285	329

10. Loss per share

	2024	2023
	£'000	£'000
Loss after tax attributable to equity shareholders	**(40,216)**	(43,071)

	Shares	Shares
	'000	'000
Issued Ordinary Shares at start of the period	**679,105**	644,105
Ordinary Shares issued in the period	**4,087,335**	35,000
Issued Ordinary Shares at end of the period	**4,766,440**	679,105
Weighted average number of Ordinary Shares for the period	**3,743,332**	670,355
Potentially dilutive share options	**-**	-
Weighted average number of Ordinary Shares for diluted		

earnings per share	**3,743,332**	670,355
Basic earnings per Ordinary Share (pence)	**(1.07)p**	(6.43)p
Diluted earnings per Ordinary Share (pence)	**(1.07)p**	(6.43)p

The diluted loss per share for 2024 does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

11. Property, plant and equipment

	Right-of-use assets £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Land and buildings £'000	Total £'000
Cost or valuation							
At 1 July 2022	12,233	16,843	8,230	23	4,565	3,079	44,973
Reclassification (see Note 17)	-	(7)	-	-	(22)	-	(29)
Additions	2,247	3,602	147	-	308	-	6,304
Foreign exchange	-	3	(1)	(3)	-	(2)	(3)
Revaluations	-	-	-	-	-	(32)	(32)
Disposals	(557)	(2)	(2)	-	(3)	-	(564)
At 30 June 2023	13,923	20,439	8,374	20	4,848	3,045	50,649
Reclassification (see Note 17)	-	-	-	-	35	-	35
Additions	765	3,160	95	-	61	-	4,081
Foreign exchange	(104)	(23)	(26)	-	(18)	(44)	(215)
Revaluations	-	-	-	-	-	9	9
Disposals	(293)	-	(1)	-	(1)	-	(295)
At 30 June 2024	**14,291**	**23,576**	**8,442**	**20**	**4,925**	**3,010**	**54,264**
Depreciation							
At 1 July 2022	4,342	9,261	6,794	21	4,060	305	24,783
Reclassification	-	-	-	-	-	-	-
Charge for the year	1,681	1,032	482	-	316	159	3,670
Revaluations	-	-	-	-	-	(460)	(460)
Foreign exchange	(8)	(4)	(2)	(1)	(2)	(4)	(21)
Disposals	(557)	(2)	(2)	-	(3)	-	(564)
At 30 June 2023	5,458	10,287	7,272	20	4,371	-	27,408
Reclassification	-	-	-	-	-	-	-
Charge for the year	1,728	1,109	389	-	286	275	3,787
Revaluations	-	-	-	-	-	(272)	(272)
Foreign exchange	(59)	(12)	(18)	-	(17)	(3)	(109)
Disposals	(293)	-	(1)	-	(1)	-	(295)
At 30 June 2024	**6,834**	**11,384**	**7,642**	**20**	**4,639**	**-**	**30,519**
Net book value							
At 1 July 2022	7,891	7,582	1,436	2	505	2,774	20,190
At 30 June 2023	8,465	10,152	1,102	-	477	3,045	23,241
At 30 June 2024	**7,457**	**12,192**	**800**	**-**	**286**	**3,010**	**23,745**

Included in Plant and machinery is £5.8m (2023: £2.5m) relating to assets under the course of construction upon which no depreciation has been charged. These are expected to be commissioned before June 2025.

12. Investments - retirement benefit asset

The Group carries insurance policies which are designed to contribute towards the obligations in respect of the German defined benefit pension scheme (see Note 28). Some of these policies include a right to reimbursement and therefore do not meet the definition of a qualifying insurance policy under IAS 19.8. Accordingly, the assets have been recognised separately on the balance sheet. They are valued at fair value by Mercer Deutschland GmbH each year. Mercer Deutschland GmbH value the insurance policies according to contractual arrangements.

	2024 £'000	2023 £'000
At 1 July	**4,866**	5,330
Additions	**19**	159
Finance income	**150**	247
Disposal of retirement benefit asset	**(2,598)**	-
Remeasurement of investment	**549**	(867)
Loss on foreign exchange	**(73)**	(3)
	2,913	4,866

The valuation of the retirement benefit asset involves a number of complex calculations and assumptions and as a result is subject to inherent uncertainty.

13. Inventories

	2024 £'000	2023 £'000
Raw materials and consumables	**4,056**	3,819
Work in progress	**5,672**	4,775
Finished goods	**3,016**	2,999
	12,744	11,593

The value of inventories measured at fair value less cost to sell was £182,000 (2023: £303,000). The movement in the value of inventories measured at fair value less cost to sell during the year gave rise to a charge of £121,000 which was included within the costs of goods sold in the consolidated income statement.

14. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	**3,198**	2,733
Less: provision for impairment of trade receivables	**(336)**	(367)
Trade receivables - net	**2,862**	2,366
Other receivables	**2,808**	2,150
VAT	**538**	542

Prepayments and accrued revenue	**1,615**	2,030
	7,823	7,088

All amounts due as shown above are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value. All trade and other receivables have been reviewed for indicators of impairment. During the year, £25,000 of trade receivables were provided for and £22,000 of the provision utilised. The impaired trade receivables are mostly due from private customers in the Italian market who are experiencing financial difficulties.

15. Trade and other payables

	2024	2023
	£'000	£'000
Due within one year		
Trade payables	**4,015**	4,090
Social security and other taxes	**4,734**	4,443
Other creditors	**102**	99
Accrued expenses and deferred income	**7,089**	8,051
	15,940	16,683

16. Borrowings

	2024	2023
	£'000	£'000
Due within one year		
Bank loans	**600**	648
	600	648

	2024	2023
	£'000	£'000
Due in more than one year		
Shareholder loans	**21,755**	25,591
Bank loans	**745**	848
	22,500	26,439

The Group completed a £40.75m equity financing on 13 October 2023 the proceeds of which were used to repay amounts drawn at that time under the shareholder loan facility entered into on 6 April 2023 ("Loan Facility") arranged with ZQ Capital Management Limited (acting through its affiliate SkyGem International Holdings Limited) and Southern Fox Investments.

The Loan Facility agreement was amended twice (the "Amended Loan Facility"), on 27 September 2023 and subsequently on 27 December 2023.

The Amended Loan Facility provides the Group with a £40.0m loan facility, secured against the shares held by Allergy Therapeutics Plc in other Group companies (i.e. all the major assets of the Group), of which £7.5m was committed from the outset and £32.5m initially uncommitted. The Amended Loan Facility is available to drawn down from 15 January 2024 until 15 January 2026 with interest payable semi-annually at 12% per annum and a repayment date of 15 January 2027. The Company issues warrants to the Lenders following each drawdown under the Amended Loan Facility entitling the holders to subscribe for new ordinary shares at a price of 4 pence per share. The entitlement to warrants is 25 warrants for each £1 drawn down up to a maximum of 1,000,000,000 warrants. The warrants entitle the holders to subscribe for new ordinary shares at a price of 4 pence per warrant. The warrants are exercisable in whole or in part from 1 July 2024 until 15 January 2027. The Company has agreed that the proceeds of the warrants will be used to repay the principal amounts outstanding under the Amended Loan Facility.

At 30 June 2024, £22.5m of the secured facility had been drawn, of which £1.3m was allocated to the warrants on initial recognition (in line with the Group's accounting policy the debt component was valued first by discounting the contractual cash flows using a market rate of interest that would be payable on a similar debt instrument which did not include the warrants, the remainder of the proceeds is allocated to the warrants and recognised in the "Warrants reserve" within shareholders' equity).

17. Provisions

	2024	2023
	£'000	£'000
Italian Leaving indemnity	**111**	148
German rebate provision	**5,086**	3,433
	5,197	3,581
Current	**2,489**	-
Non-current	**2,708**	3,581
	5,197	3,581

German Rebate Provision

The movement in the German rebate provision during the year was as follows:

	2024	2023
	Total	Total
	£'000	£'000
At 1 July	**3,433**	-
Additions	**1,732**	3,433
Foreign exchange movement	**(79)**	-
At 30 June	**5,086**	3,433
Current	**2,489**	-
Non-current	**2,597**	3,433
	5,086	3,433

In the previous year, the Group's German subsidiary received notification from the German national health insurance association ("GKV-Spitzenverband") that manufacturers' rebates were due for the sale of certain products. In agreement with the GKV-Spitzenverband, adjusted discounts for the future were published in the Lauertaxe from 1 March 2024. The legal situation for past periods is still being clarified, but the best possible estimate of the amounts to be reimbursed has been recognised as a provision.

18. Retirement benefit obligations

Defined contribution scheme

The Group operates a defined contribution pension scheme for all employees in the UK except those that have opted out of the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. A salary sacrifice scheme is in operation at Allergy Therapeutics (UK) Ltd. The effect of the scheme is to transfer a proportion of the payroll cost to pension contributions; see Note 9, Employees for further details.

Defined benefit scheme

The Group operates a partly funded non-contributory defined benefit pension scheme for certain employees in Germany. The actuarial valuation was carried out by Mercer Deutschland GmbH at 30 June 2024.

The assets and liabilities in the scheme were as follows:

	2024	2023
	£'000	£'000
Fair value of plan assets	**1,002**	1,022
Present value of scheme liabilities	**(9,613)**	(8,939)
Deficit in the scheme	**(8,611)**	(7,917)

The weighted average duration of liabilities at 30 June 2024 is 13.2 years (2023: 14.0 years).

Movement in assets during the year

	2024	2023
	£'000	£'000
Balance as at 1 July	**1,022**	1,215
Foreign currency differences	**(14)**	(1)
Interest income on plan assets	**47**	40
Remeasurement of defined benefit asset	**32**	(146)
Contributions from employer	**-**	-
Assets transferred to finance benefits paid	**(85)**	(86)
Balance as at 30 June	**1,002**	1,022

The expected contributions to linked investment asset products over the forthcoming year are £nil (2023: £172,000)

Movement in liabilities in the year

	2024	2023
	£'000	£'000
Balance as at 1 July	**(8,939)**	(9,534)
Foreign currency differences	**136**	3
Current service costs	**(122)**	(134)
Interest cost	**(364)**	(323)
Remeasurement of defined benefit liability		
- arising from changes in financial assumptions and experience losses/(gains)	**(649)**	750
Benefits paid by employer	**240**	215
Benefits paid from assets	**85**	84
Balance as at 30 June	**(9,613)**	(8,939)

19. Issued share capital

	2024		2023	
	Shares	**£'000**	Shares	£'000
Authorised share capital				
Ordinary Shares of 0.10 pence each				
1 July and 30 June	**790,151,667**	**790**	790,151,667	790
Deferred shares of 0.10 pence each				
1 July and 30 June	**9,848,333**	**10**	9,848,333	10
Issued and fully paid				
Ordinary Shares of 0.10 pence				
At 1 July	**679,104,621**	**679**	644,104,621	644
Issued during the year:				
Issue of shares	**4,087,335,317**	**4,087**	35,000,000	35
At 30 June	**4,766,439,938**	**4,766**	679,104,621	679
Issued and fully paid				
Deferred shares of 0.10 pence				
At 1 July	**9,848,333**	**10**	9,848,333	10
Issued during the year	**-**	**-**	-	-
At 30 June	**9,848,333**	**10**	9,848,333	10
Issued share capital	**4,776,288,271**	**4,776**	688,952,954	689

The deferred shares have no voting rights, dividend rights or value attached to them

20. Related party transactions and ultimate control

Allergy Therapeutics plc's related parties include its subsidiary companies its key management and its shareholders.

The Group's ultimate controlling party at 30 June 2024 was SkyGem Acquisition Limited (ZQ Capital) by virtue of its 65% holding of voting rights in the share capital of Company. Prior to completion of the £40.75m Equity Financing, announced on 13 October 2023, there was no single ultimate controlling party.

21. Events after the balance sheet date

Hayfin Facility

On 15 October the Group 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"). 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.

Also on 15 October, 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, details of which were announced on 27 December 2023, 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 (£5m of which was drawn after the balance sheet date), 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.

END

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