Allergy Therapeutics PLC

Transforming lives

Annual Report and Accounts 2024

Contents

About us

Our purpose is to transform patients' lives and the lives of people around them...

...through our vision of breaking new ground in immunology treatment through specialist expertise.

Delivered through our strategy

- Expanding in Europe
- Strong pipeline
- US entry

See more on page 23

Underpinned by our culture

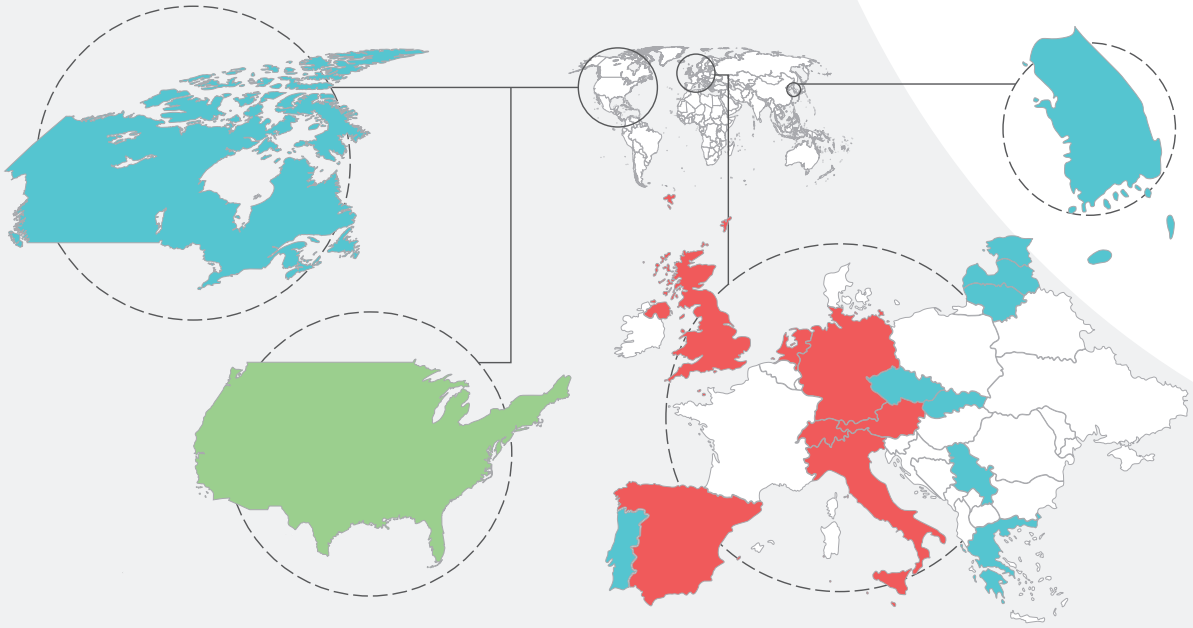
- Patient First
- Visionary
- Menschlichkeit
- Commitment

See more on page 10

At a glance

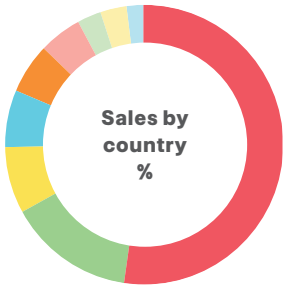
Allergen immunotherapy addresses the cause of allergy, not just the symptoms.

Locations



- Direct presence
- Distributor
- Future markets

Sales



- Germany | 49%
- Spain | 16%
- Austria | 9%
- Netherlands | 7%
- Italy | 6%
- Switzerland | 5%
- UK | 3%
- Czech & Slovak | 3%
- Other | 2%

- Pollinex Quattro | 40%
- Pollinex | 30%
- Other | 10%
- Acarovac | 6%
- Oralvac | 6%
- Tyrosine S/TU | 5%
- Venomil | 3%

How it works

How does immunotherapy transform lives?

Allergies are the immune system's response to substances it thinks are a threat but which are usually harmless, such as pollen, house dust mites or animal fur.

Allergies can vary greatly in severity. At best they are annoying, at worst they can be life-threatening.

Commonly used medicines such as antihistamines and steroid-based medicines, are often used to address the symptoms of allergies, however the symptoms can return once you stop taking the medicine because they only suppress symptoms. Immunotherapy is the only treatment which affects the underlying cause of an allergy.

Immunotherapy involves administering gradually increasing doses of an allergen extract (e.g. grass or tree pollen) in order to reduce the symptoms of allergy, such as sneezing, an itchy or runny nose, a blocked nose or itchy, watery eyes.

It was first carried out over 100 years ago and is now in widespread use around the world. It is sometimes referred to as desensitisation therapy.

Subcutaneous immunotherapy is the most common form of specific immunotherapy and involves a course of injections that build up tolerance to particular allergens through small, controlled doses.

Over time, this desensitises the inappropriate immune response so the body doesn't overreact and create the histamine release that causes allergy symptoms.

Sublingual immunotherapy is an alternative to injected immunotherapy. For this form of treatment, daily drops or tablets containing the specific allergen are placed under the tongue. The first dose of the sublingual immunotherapy is usually administered in a clinic under observation, then the patient will be required to self-administer the treatment every day at home.

How it works continued

Allergen immunotherapy addresses the cause of allergy, not just the symptoms.

No treatment

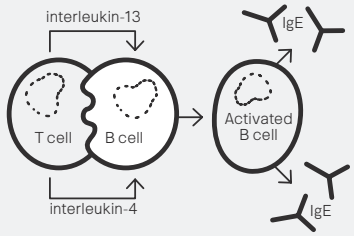
1

Patient comes into contact with an allergen

Treated with allergen-specific immunotherapy

Treatment

2



Th2 cell stimulates B cells to produce IgE

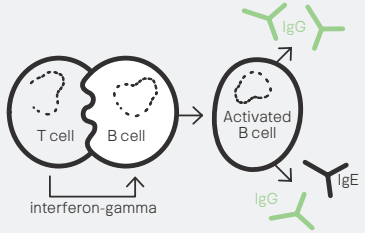
3

IgE binds to immune cells causing histamine release upon exposure to allergen

4

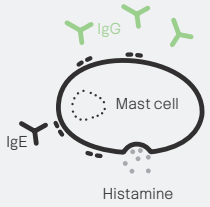
Histamine leads to classic symptoms of allergy

2



Th1 cell stimulates B cells to produce IgG

3



Increased IgG production inhibits the production of IgE

4

Lower levels of IgE prevent excess release of histamine and reduce symptoms of allergy

Chairman and Chief Executive Officer's review

Peter Jensen OBE
Chairman
5 November 2024

Manuel Llobet
Chief Executive Officer
5 November 2024

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 every day.

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, further details of the changes of membership are set out in each Committee report, see pages 44 to 49 for more information.

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 Q1 2025, 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.

For further information about our financial performance please see page 34.

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.

Chairman and Chief Executive Officer's review continued

Performance and development continued

Grass MATA MPL – a new approach to managing allergic rhinoconjunctivitis due to grass pollen continued

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.

For further information on Grass MATA MPL please see the R&D report on page 27.

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. Updates from the trial and plans for further progression to Phase II can be found in the R&D report on page 27.

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 "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. For further information please see Note 34.

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.

Peter Jensen OBE
Chairman

5 November 2024

Manuel Llobet
Chief Executive Officer

5 November 2024

Market need

Allergy Therapeutics is well placed to respond to the trends driving demand for immunotherapies.

Pollen allergies

Market need

- The market is made up of two parts: those with mild to moderate symptoms who can be treated with over-the-counter products and those who suffer from more severe symptoms for whom immunotherapy treatment may be required.
- The percentage of allergy sufferers in the population is increasing. The reason is not completely clear, although it has been suggested this is due to increased urbanisation and better hygiene.
- As with most medicines, patients do not always adhere to dosing requirements when the symptoms are gone, potentially reducing the effectiveness of treatment.

Market characteristics

- Over-the-counter products are available at pharmacists while immunotherapy products are provided via doctors who specialise in allergies.
- Most markets for immunology are either mostly subcutaneous (e.g. Germany or the US) or sublingual (e.g. France or Italy).
- The European market is mature and grows slowly due to varying levels of reimbursement or access to immunotherapy treatment.

Our response and innovation

- Allergy Therapeutics' unique selling point is ultra-short and short-course treatments to aid higher patient adherence to treatment.
- The Group is spending significant amounts on research and development on a range of products.
- Real-world evidence ("RWE") has made significant advancements recently in the pharmaceutical industry. Typically, RWE was mainly used for analysing electronic health records and data from wearable devices; however, today this has proven to become one of the major tools for vaccine development and testing. Allergy Therapeutics incorporates eDiaries into its clinical trials. This provides for greater interaction with the subject via mobile device for daily observations and improving data collection response through reminders and alerts.

Digitalisation

Market need

- Digitalisation is more about solving problems through tracking real-life data, ensuring patient adherence, artificial intelligence ("AI") driven selection of candidates, analytics and documentation of all areas of clinical trials, manufacturing and regulatory filings.
- Given the growth in the analysis of human diseases and the number of pharmaceutical products being used to treat them, digitalisation is becoming a necessity rather than a nice-to-have.
- Machine learning algorithms combined with data analytics can boost predictive medicine and make it possible to track the effects of different therapies on groups of patients over time.

Market characteristics

- This is a new and fast-expanding market. Some parts of it are simply necessities for such processes as filing for approval, recording of patients during trials or scanning large databases.
- There is a growing market of digitalisation which could be considered as types of medical devices that are reimbursable by certain health authorities and can bring direct benefits to patients.
- This market is driven by technology gains in the broader IT area, big data, as well as by pharmaceutical requirements.
- AI is becoming pivotal in healthcare as the global AI healthcare market size is expected to reach $148.4bn by 2029.

Our response and innovation

- Use of digital solutions to record the data from patients enrolled in clinical trials enables more accurate data gathering. Reminders that pop up on mobile devices ensure patients are reminded to record their symptoms in real time rather than waiting until they remember, at which point they may not recall facts as well.
- Use of apps to collate and share data on local pollen counts, location of nearest allergy clinics and reminders to take medication all assist in the maintenance of dosing for patients to enable them to better control their condition.

Market need continued

Food allergies

Market need
- There is significant need for products in this sector as the current treatment is mostly achieved through avoidance, with only one product approved and available.
- As with pollen allergies, the percentage of the population with food allergies has increased significantly over the last decade. Approximately 2.5% of the general population in a country is affected by a food allergy. There is additionally more awareness about the issue amongst the general population.
- The target for severe allergies in this area is a product that has the potential to substantially reduce the risk of adverse outcomes upon allergen exposure.

Market characteristics
- This is a new market with only one product approved for peanut allergy. This product is a first-generation product that builds up tolerance to peanuts through daily treatment over an extended period.
- It is likely that treatments for food allergies will be administered by allergists, similar to pollen, due to their knowledge of treatment and the similarities of the two markets.
- Peanut allergy is expected to be the most valuable segment within the food allergy market by 2030.
- The key severe food allergy markets are peanut and other types of nuts, shellfish and dairy.

Our response and innovation
- The Group has licensed VLP Peanut and developed a product that has the potential to become a next-generation product with the aim of significantly reducing or eliminating allergic reactions to peanuts through a small number of injections.
- The ongoing Phase I/IIa VLP Peanut PROTECT trial began in March 2023 and is evaluating the maximum safe and tolerated dose and includes assessment of biomarker efficacy in peanut allergic patients.
- Healthy subjects in the PROTECT trial have now received a 400-fold dose increase of VLP Peanut, providing strong confidence that the VLP technology is safe and well tolerated.
- Patients allergic to peanuts have received subcutaneous dosing of the vaccine with no safety signals observed.
- If this product proves to be successful, the same platform could also be used to develop treatments for other food allergies.

Regulatory environment

Market need
- Given the potential effects of a product that has not been properly manufactured, tested or studied in a real-life environment, regulation is critical.
- Regulation also creates a level playing field where it is clear to all developers and manufacturers what is required.

Market characteristics
- The regulatory environment for the pharmaceutical market is quite mature but there are some pockets where historical arrangements continue.
- In Europe, the pollen allergy market is moving to a position where all major allergy treatments need to have marketing authorisation.
- In the US, the pollen allergy market for severe allergies is still mostly treated by individual allergists diluting concentrates and administering them to patients. There is pressure to move towards GMP manufactured products.

Our response and innovation
- Allergy Therapeutics already has two platforms that are approved and is working towards marketing authorisation for the MATA MPL platform.
- The Group is in regular contact with regulators to collaborate on best practice and develop meaningful processes.
- The Group aims to bring the MATA MPL platform, once approved, to the US market as the first subcutaneous approved product on the market.

Business model

Our purpose is to transform patients' lives and the lives of people around them.

Our resources

Specialist expertise

The specialist expertise of our employees drives and inspires us to transform lives.

Innovation

As a global pioneering team we innovate to advance treatments in immunotherapy.

Income generated from operations or funding

Income generated is re-invested back into our business to drive growth.

What we do

Research and development
We have a strong pipeline of new products at various stages of development and continue to enhance our existing product range.

Manufacturing
We maintain our own and contracted accredited facilities in the UK and Spain which produce our medicines for clinical trials and sale.

Sales
Currently we sell in 14 markets and we plan to develop these further and expand into new markets.

Value creation

We utilise our resources to create value for all our stakeholders which include patients, employees, healthcare professionals and investors. Our approach to value creation is underpinned by our cultural values: Patient First, Visionary, Menschlichkeit (Humanity), Commitment.

Purpose and cultural values

Our purpose is to transform patients' lives and the lives of people around them.

Our cultural values

Our core beliefs and principles help guide everyone at Allergy Therapeutics to work towards the same goals; these values shape our vision and support our culture.

Patient First

Putting patients at the centre of everything we do

We seek to truly understand how patient lives are affected by allergies.

We make decisions, supported by data, on what adds value for our patients.

We never compromise on quality and safety for our patients.

We will always strive for the highest quality standards for our patients.

See more on pages 13 and 19

Visionary

Leading the way with innovation, courage and passion

We show courage by being innovative and always look for better ways to do things.

We are not afraid to try new things and learn from our experiences.

We are pioneering, we are future-focused and work with drive and passion.

We deliver robust plans by looking ahead to anticipate future changes, challenges and opportunities.

See more on pages 7,8 and 27 to 28

Menschlichkeit (Humanity)

Leading the way with innovation, courage and passion

Showing humanity and treating each other with honesty and respect.

We treat each other the way we would want to be treated.

We foster an inclusive culture by valuing and encouraging different perspectives, experiences and views.

We work ethically and share information and ideas in an open way to help others succeed.

We do what is right, even when it is sometimes difficult, and support each other to be themselves.

See more on pages 12 to 14

Commitment

Working together as one team with integrity

We approach everything with integrity, we are fully committed and engaged in what we do and we never give up.

We walk the talk and do what we say we are going to do.

We work together as one team and actively collaborate across team/department/ market boundaries.

We take accountability for our performance and personal development.

See more on pages 12 to 14 and 23

Environment, social and governance

Operating responsibly

Our purpose is to transform the lives of our patients and the people around them. We are committed to doing this whilst behaving in a socially responsible manner.

Our ESG strategy focuses on four pillars: our patients; our people; our planet; and our responsible governance. Our activities during the year have delivered progress against all four pillars.

Allergy Therapeutics transforms the lives of our patients while delivering sustainable value to all our stakeholders. We understand the value of aligning our purpose to our strategic decision-making, which is supported by a culture of ethics, quality and patient safety. The business operates to high standards of governance and compliance.

There is an increasing expectation from stakeholders for us to measure and communicate the effectiveness of our ESG strategy as well as to ensure that our business model, objectives and future goals are aligned to our sustainability roadmap. This year we've focused on extending our cash runway and funding, resulting, understandably, in there being less progress on reducing our impact on the environment. We believe our stakeholders would however expect this focus on extending our cash runway and funding to take priority.

Our planet

See more on page 15

Our patients

See more on page 19

Our people

See more on page 20

Our responsible governance

See more on page 22

Environment, social and governance continued

Engagement with stakeholders

Engaging with our stakeholders is an integral part of how we operate as a business. We actively seek to understand what really matters to them and ensure that we take this into account in our decision-making, both at a strategic and an operational level.

Positive relationships with our stakeholders, who have an interest in our business and may be impacted by the decisions we make, are key to our long-term success.

Stakeholder engagement enables us to continue to make and deliver our products to patients around the world and maintain a motivated workforce and dependable supply chains.

It encourages customer confidence in our products and helps us maintain close relationships with healthcare professionals.

This should be read in conjunction with the comments from the Chairman and CEO on page 5 around key issues during the year impacting stakeholders.

In the table below, and on the following pages, we set out our key stakeholder groups, their material issues and how we engage with them.

	Key issues for them	Engagement through the year	Links	Outcomes
Investors We engage with our investors, shareholders, analysts and banks to ensure they have a good understanding of our business, progress against our strategic priorities and to address any concerns.	- Sustainable business performance and growth - Return on investment - Clinical performance - Financial performance	Ordinarily the Chairman, CEO and CFO attend meetings with investors to discuss strategic progress, financial and operational performance, and other matters relevant to shareholders. Following a similar pattern to the prior year, the Group has predominantly engaged with investors by way of RNS announcements or during General Meetings. Two of our major shareholders, SkyGem Acquisitions and Southern Fox, also have representatives on our Board. The AGM is an opportunity for shareholders, including non-institutional ones, to hear directly from the Board on the Group's performance and strategic direction and to ask questions.	Governance: see pages 38 to 43	- Clarity on strategy and approach - Understanding progress against these goals
Our people Our people are essential to the success and growth of our organisation. Our team of talented, experienced and diverse individuals help us to lead the way in allergy immunotherapy. We have an honest and open relationship with our workforce, encouraging them to have their say, whilst ensuring they remain supported. We engage with each other respectfully and help make Allergy Therapeutics a fair and inclusive place to work.	- Communication - more clear and consistent communication during this critical time - Wellbeing - having greater awareness of wellbeing support available - Workload - to be manageable and not a cause of stress - Recognition - receiving sufficient performance feedback - Goal setting - knowing what is expected - Strategy - being inspired by our mission and purpose - Reward - having a fair reward process - Growth - opportunities to progress career and learn - Job security - the assurance of continuing employment regardless of any external forces that might impact the business	The Company heavily invested in training through the year in line with its value of commitment to take accountability for our performance and personal development. In Spain, the Company continued to support staff who were undertaking English language courses. In Germany, a mentoring programme, a Junior Development programme and Culture Cafe was launched. In the UK, team leaders and managers attended a five-part 'You Make The Difference' training programme focused on continuous improvement as managers. This is in addition to the Company's standard annual training programme covering behaviour, compliance, quality, pharmacovigilance and IT security. Employee engagement has not been without difficulty during the year as the business focused on cost reduction to extend its cash runway. It was imperative to the Company to keep investing in its employees not only by way of training, but also by making a Company-wide pay increase.	Operating responsibly - our people: see pages 20 and 21	Continuous training of employees who drive the future of the business.

Environment, social and governance continued

Engagement with stakeholders continued

Our patients

Our patients rely on us to produce products that can help to transform their quality of life. Every day we make a difference to the lives of patients through the provision of high-quality products with good safety and efficacy profiles.

Key issues for them

- Improving quality of life
- Efficacy
- Product safety
- Convenience

Engagement through the year

For our consumer healthcare products, we engage with patients via digital channels (websites, social media), advertising (across multiple media, including TV, print media and in-store promotions in pharmacies and retail stores), in addition to providing basic product information as part of our Medical Information function. For prescription-only medicines, our direct engagement with patients is much more limited, due to regulatory constraints governing promotional activities.

Links

Business model: see page 9

Outcomes

- Better understanding of our products and their safety profile
- Better outcomes from treatment

Healthcare professionals ("HCPs")

We care about the needs of our HCPs. We focus on delivering quality products efficiently.

Key issues for them

- Product safety
- Cost
- Efficacy
- Availability
- Training in the administration of products

Engagement through the year

Our sales force engage with prescribers of our products through regular meetings, either face-to-face or virtual. We provide training and information on use of our products via our medical team.

We have organised symposiums focusing on our pipeline products and met with HCPs at conferences where they are able to obtain information from us.

Links

Operating responsibly: see pages 11 to 15

Outcomes

We are perceived to be a trusted and reliable partner with a focus on science and developing new technologies.

Communities

We look to minimise any negative impacts from our operations and to support sustainable socio-economic development and growth in our local communities.

We recognise that through proactive, strategic stakeholder and community engagement we can increase the profile of the business.

Key issues for them

- Local employment opportunities
- Environmental management
- Operational impacts

Engagement through the year

We actively recruit from the local communities.

Links

Operating responsibly - our people: see pages 20 to 21

Outcomes

Continued its support for activities in STEM subjects in Europe, organising work experience activities and placements for students in Spain and the UK.

Environment, social and governance continued

Engagement with stakeholders continued

Governments and regulators

As a manufacturer and distributor of medicinal product we must comply with GMP and GDP. We are regulated by various authorities in the territories in which we operate including the MHRA in the UK. We look to develop and maintain constructive relationships with regulators and the national and local governments of the countries in which we operate.

Key issues for them

- Compliance with regulatory, legal and taxation requirements
- Transparency

Engagement through the year

Our Executive Team, regulatory teams and operational management engage with governments and regulators in the countries in which we operate. We ensure a collaborative approach in areas such as product characterisation and clinical study design.

Ensuring we meet our regulators' expectations to maintain continued compliance with regulatory legislation is enabled through proactive and collaborative engagement in direct discussion or other forums such as contributions in agency-sponsored research.

Links

R&D report: see pages 27 to 28

Outcomes

- Open and constructive relationship with regulators

Suppliers

Our suppliers play a key role in helping the business deliver its purpose to transform the lives of our patients. We form strong, sustainable and trusted partnerships and look to secure excellent value for money, whilst minimising risk in our supply chain.

Key issues for them

- Transparency in the supply chain
- Responsible sourcing and human rights
- Compliance with laws
- Competitive pricing
- Equitable terms
- Payment terms

Engagement through the year

Our approach to quality throughout the supply chain helps us to ensure the products we supply to customers are of the right quality and safety standards for our patients and the environment. The supply chain is generally managed by our procurement team. This year the procurement team have focused on supplier engagement. In the year, we were able to mitigate any supply chain risks by pre-ordering key manufacturing supplies and ensuring we had numerous suppliers for key materials.

Links

Governance: see pages 38 to 43

Outcomes

- Able to stock many key supplies for continued vaccine manufacture, despite shortage of vaccine components in the market

Environment, social and governance continued

Our planet

Non-Financial and Sustainability Information Statement

For financial years beginning on or after April 2022, Companies Act legislation in relation to climate-related financial disclosures ("CRFD") has been in force and applicable to Allergy Therapeutics. These requirements are based on the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and are organised under the same subject areas: Governance and Risk Management, Strategy and Metrics and Targets. Given this close alignment, we worked towards the TCFD recommendations in our first year of reporting, but have subsequently concluded that our disclosures should specifically refer to the eight items required by CRFD.

(a) Description of the governance arrangements in relation to assessing and managing climate-related risks and opportunities;

(b) how they are identified, assessed and managed; and

(c) how these processes are integrated into the Company's overall risk-management process.

Considering climate-related risks and opportunities formed part of the governance structure referred to on page 39 and was the remit of the ESG Committee during the year. Part of the role of that committee was to report such risks and opportunities where considered appropriate to the Executive Team for further assessment before their potential inclusion in discussions with the Audit and Risk Committee and, ultimately, the Board.

Since the year end, we have decided to streamline these arrangements by disbanding the ESG Committee as well as the Climate Risk Team and making climate-related risks and opportunities (and ESG risks and opportunities more widely) part of a standing risk and opportunities item for consideration by the Executive Team at its monthly meetings. This brings discussion of these matters into the mainstream of operational governance of the Group and ensures that they are on the agenda of the Group's Executive Team.

A further governance change has been to move responsibility for the Group's approach to ESG to the Company Secretary. Her Group-wide role gives visibility to all parts of its operations and her involvement in setting agendas for the meetings of the Board, its Committees and the Executive Team, making up the Group's governance structure, will ensure the relevant risks and opportunities are considered in a consistent and timely manner.

In 2022, with the assistance of external consultants, the Group identified and assessed climate-related risks and opportunities in the following categories:

- **Physical risks**, in the form of acute and chronic impacts such as the increased severity of extreme weather events (including flooding, heatwaves, wildfires and hurricanes) and chronic alterations (including the rise in mean temperatures and extreme variability in weather patterns).
- **Transition risks**, which relate to the transition to a low-carbon economy and could include policy and legal changes, changing consumer behaviour and reputational risks.
- **Climate opportunities**, such as improved energy efficiency, new products and services and new markets.

Environment, social and governance continued

Our planet continued

Non-Financial and Sustainability Information Statement continued

We did not see significant changes in our business model or strategy or the external conditions during 2023 and consequently did not re-perform this process during 2023. The risks and opportunities that are included in our risk-management process therefore remain unchanged and are outlined below. We will refresh our assessment of the key risks and opportunities during the second half of 2024.

A Group risk register is maintained and emerging risks or changes to risk profiles are reported and discussed at Executive Team meetings. The Executive Team reports on principal risks to the Audit and Risk Committee on a quarterly basis for consideration as part of its responsibilities delegated by the Board (see page 45). While climate and ESG-related risks may not meet the Group's criteria for principal risks (and therefore not be included in the deliberations of the Audit and Risk Committee and brought to the attention of the Board), they will be discussed by the Executive Team. The Audit and Risk Committee and the Board reviews and approves the ESG section of the Annual Report and Accounts.

When evaluating potential risks and opportunities, we consider their magnitude and likelihood. Impact and likelihood are both scored out of 5 and multiplied to give a combined score out of 25. While there is no specific cut-off for principal risks, anything above 15 is considered "very high".

(d) Description of the principal climate-related risks and opportunities arising in connection with the Company's operations and the time periods by which reference to which those risks and opportunities are assessed; and

(e) Description of the actual and potential impacts of the climate-related risks and opportunities on the Company's business model and strategy.

These risks and opportunities have been assessed over the following time periods:

Short term	Medium term	Long term
2024-2030	2030-2040	2040-2050

Physical risk:

Change in weather patterns

The increased frequency and severity of extreme weather events in the different climate scenarios referred to later in this report could threaten the safety of our primary physical assets, located in Spain and the UK. In the short term, extreme heat waves, particularly in Spain, are adversely affecting the productivity and health of our employees.

In addition, longer term rises in temperatures and increased flooding (either from rainfall or rising sea levels) could disrupt our access to essential raw materials.

In the medium and long term, climate-related disasters will become more frequent and chronic changes in weather patterns would impact our sites.

Transitional risks:

Low carbon technology transition

Disruptive climate policies or legal changes could disturb our supply chain, or our manufacturing processes if we and our supply chain are not able to respond to them effectively. One impact could be an increase in costs throughout our supply chain and the need to address these through internal efficiencies or potential price rises for our products. We anticipate changes such as these to occur in the medium to long term.

Increased raw material costs

Critical minerals and other materials essential for clean energy production and storage are expected to increase in price in the short and medium term due to scarcity and rising demand. These increased costs are likely to affect the entire supply chain, placing pressure on all businesses to apply stringent cost control in other areas and to review selling prices.

Carbon pricing and regulations

The potential imposition of carbon taxes on businesses in the short, medium or long term, or the application of price adjustment mechanisms (for example, the EU Carbon Border Adjustment Mechanism) could increase both our direct and indirect costs, with the same potential outcomes as for increased raw material costs.

Increasing regulation in areas such as recycled or recyclable packaging may require changes to our sourcing of packaging and its cost, and the processes employed to package our products.

Climate-related opportunity

Public sector incentives

The European Union has introduced public incentives to facilitate the deployment of clean technologies. We will monitor the possibility of utilising these initiatives to assist in our carbon-reduction measures.

(f) Analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios.

The climate-related risks and opportunities described above have been analysed under three potential climate-related scenarios:

- The **'Net Zero by 2050'** scenario described by the International Energy Agency envisions a substantial deployment of clean energy technologies and the rapid adoption of renewable energy sources. It incentivises governments, investors and the private sector to implement global climate commitments, with the aim of limiting the rise in global temperatures to 1.5°C by 2050. Developing economies stand to benefit from this energy transition, as funding and capacity-building opportunities become available for accelerating global energy deployment.

Environment, social and governance continued

Our planet continued

Non-Financial and Sustainability Information Statement continued

Climate-related opportunity continued

Public sector incentives continued

- The **'Delayed Transition'**, as defined by the Network for Greening the Financial System ("NGFS"), portrays a world marked by global climate inaction until 2030. Consequently, stringent new policies will be implemented to halve greenhouse gas ("GHG") emissions by 2040. These urgent measures will become necessary as nations grapple with significant social and economic shocks resulting from a decade of inaction. This scenario aims to cap global warming at 1.8°C by 2050, reducing it to 1.5°C by 2100.
- The **'Current Policies'** scenario by the NGFS, depicts a lack of ambition from both the governments and the private sector. Consequently, current global commitments (e.g. the Paris Agreement) lose momentum, and there is neither a shared interest nor a collective effort to achieve Net Zero by mid-century. Furthermore, climate inaction will result in global warming reaching 2°C by 2050 and potentially increasing to at least 3°C by the end of the century. Therefore, governments will need to confront the adverse consequences of social inequality, climate-induced migration and the need for robust adaptation plans.

Physical risk:

Change in weather patterns

Given the requirement to transport most of our products via controlled-temperature freighters, we must ensure that these carriers can adhere to the GDP (Good Distribution Practices) rules, maintaining and controlling cold conditions while transporting goods over long distances, especially during heat waves. We need to consider any flooding risk, for which we will develop a resilience plan for our site in Worthing. These risks are more likely to materialise and sooner in the Delayed Transition and Current Policies scenarios and they would therefore require detailed resilience plans to be developed in the short term.

Transitional risks:

Low carbon technology transition

We are developing the Energy Centre in Worthing to strengthen our business security, become independent from GSK and tackle any technology risk. The transition to low-carbon technology will take place over a longer time period in the Delayed Transition and Current Policies scenarios. In the event that governments in our operating territories implement incentives to encourage businesses to transition under the Net Zero by 2050 scenario and/or introduce penalties for continued use of fossil fuels, we will investigate the measures available to react to these.

Increased raw material cost, production costs due to changing input prices

We will commit to use low carbon materials to provide our products with more efficient packaging materials. For our products in Spain we have prepared the SIGRE Annual Packaging Declaration for the 2022-2023 financial year, providing detailed information on the quantity and type of packaging placed on the market. Additionally, we will maintain our commitment to ensure adequate environmental management of medicines and packaging to align with our customer's changing behaviour to address climate change.

Carbon pricing and regulations

By 2050, we are committed to reducing 95% of our total carbon emissions so any carbon price or additional costs of future regulations would have a minor impact on our financial planning. Additionally, we are creating alliances with our packaging suppliers to aim for the use of certified recyclable materials in our final products.

(g) Description of the targets used by the Company to manage climate-related risks and realise climate-related opportunities and of performance against those targets; and

(h) Description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

We do not currently have any targets in place to manage the climate-related risks and realise the climate-related opportunities referred to in this report and therefore do not have any key performance indicators. We will reconsider our climate-related risks and opportunities during the year and set targets and KPIs as part of this process.

Environment, social and governance continued

Our planet continued

Streamlined Energy and Carbon Reporting ("SECR")

During the year, Allergy Therapeutics has continued to capture emissions data as required by SECR regulations Group-wide.

The collection and creation of the SECR report was facilitated externally by a third party, who have been engaged to provide independent verification of the calculation of our SECR data, in accordance with the relevant regulations. Under the SECR requirements, this report covers Scope 1 direct emissions, which includes natural gas, district heating, wood heating, diesel oil, refrigerant gas and Company-owned vehicles, Scope 2 indirect emissions which incorporates electricity and purchased steam, and the only Scope 3 emissions required to disclose, which are associated with business travel in employees' private vehicles. The results are shown in the table below. There has been a total of 2,687 tonnes of CO_2e emitted during FY24, which compares to 3,006 tonnes for the prior financial year.

	Reporting period July 2023 – June 2024	Reporting period Revised[1] July 2022 – June 2023	Originally reported in period July 2022 – June 2023	Percentage change
Total energy use covering purchased electricity (kWh)	**4,271,145**	4,188,758	4,188,758	2%
Total energy use covering combustion of gas (kWh)	**314,253**	284,946	284,946	10%
Total energy use covering business travel – Company and grey fleet (kWh)	**1,830,901**	2,033,850	1,294,090	-10%
Total energy use covering diesel oil (kWh)	**439,392**	71,209	71,209	517%
Total energy use covering steam district heating (kWh)	**20,300**	51,000	51,000	-60%
Total energy use covering purchased steam (kWh)	**3,256,052**	4,892,674	4,892,674	-33%
Total energy use covering wood heating (kWh)	**41,556**	41,556	41,556	0%
Total energy use (kWh)	**10,173,599**	11,563,993	10,824,231	-12%
Total emissions generated through use of purchased electricity (tCO_2e)	**1,174**	1,151	1,151.2	2%
Total emissions generated through combustion of gas (tCO_2e)	**67**	61	60.8	10%
Total energy use covering diesel oil (tCO_2e)	**104**	21	20.8	395%
Total emissions generated through business travel – Company and grey fleet (tCO_2e)	**632**	679	436.8	-7%
Total emissions generated through use of refrigerant gas (tCO_2e)	**17**	49	48.9	-66%
Total emissions generated through steam district heating (tCO_2e)	**4**	11	11.4	-61%
Total emissions generated through purchased steam (tCO_2e)	**689**	1,034	1,033.6	-33%
Total emissions generated through use of wood heating (tCO_2e)	**1**	1	0.6	0%
Total gross emissions (tCO_2e)	**2,687**	3,006	2,764	-11%
Total mileage	**1,992,682**	2,139,730	1,432,096	-7%
Total estate size (sq ft)	**221,993**	221,993	221,993	0%
Intensity ratio – total gross emissions ($kgCO_2$ per sq ft)	**12.10**	13.54	12.45	-11%
Intensity ratio – transport emissions ($kgCO_2$ per mile)	**0.32**	0.32	0.31	0%

1. Information revised following provision of further data post year end.

Environment, social and governance continued

Our patients

We strive to deliver the best immunology treatments for patients. Our products and their associated adjuvant technologies address the causes of patient symptoms rather than masking them.

We believe the best products for a thriving business are also the best products for patients. Therefore, our product pipeline reflects this, with programmes investigating allergens of serious concern such as peanut allergy.

Allergies reduce quality of life by preventing individuals and their loved ones from enjoying the everyday activities that most take for granted.

At their most severe, allergies can be fatal. Whatever the severity of an allergy, the wider implications are negative.

Many patients and their families live in fear and can feel isolated or excluded. We believe our work in allergy treatment is transforming lives and the lives of the people around them.

For more information on how we engage with our patients, please see page 13.

Our shorter-course treatments take four to six injections, over the course of 4 to 13 weeks. Alternative therapies in the US can take 50-100 injections and up to 15 across Europe. Our approach increases efficiency for healthcare professionals and frees up time for our patients.

Biodegradable adjuvants

Adjuvants are added to vaccines to enhance and modify immune responses and can increase efficacy and reduce the number of injections required for a treatment. A number of vaccines use aluminium salts as an adjuvant; however, in the 1970s we began developing natural biodegradable alternatives and, today, all our vaccines are aluminium free and feature natural adjuvants only.

Our quality culture

Healthcare professionals rely on our quality products, our knowledge and our trusted partnership to deliver the best care for their patients. The purpose of the Allergy Therapeutics is to transform the lives of our patients and those around them.

To achieve this, quality and the provision of quality products becomes integral to all aspects of our business.

The supply of our products is becoming ever more complex and, with the significant regulatory changes taking place across the sector, the expectations of us are increasingly demanding. We use our Quality Management System ("QMS") to meet the requirements of our customers and patients in conformance with current legal and regulatory requirements.

Our manufacturing and distributor licences underpin our QMS. All of our sites are audited regularly, by a combination of internal audit, regulatory inspection and by our pharmaceutical business partners - we see this as a core part of doing business.

Quality is part of everything we do, this is set out in our Code. We work with a quality mindset, always putting patient safety first. A quality product is what our patients have the right to expect.

Our employees are trained to have the ability to understand the importance of quality and to consider quality in everything they do. Our supply chain is assessed to ensure the standards we, and our patients, expect are met and maintained.

Aluminium free company

Environment, social and governance continued

Our people

Our people are the key to our success and we are proud of the pioneering and ground-breaking work they carry out that can transform a patient's life. For us to succeed we need to foster an environment where our people can flourish.

We support our employees to make a difference to the business through a structured performance management process and feedback. In October 2023, taking inflation into consideration, the Group applied a global pay rise to all employees. Furthermore, we provide a competitive compensation and benefits package.

We recognise our employees' commitment to the Group and ensure we celebrate milestone work anniversaries for all employees by offering additional annual leave days. Furthermore, 100 employees were awarded via our rewards and recognition programme this year.

Wellbeing and lifestyle

The wellbeing of our people continues to be of the utmost importance to the Group. During the year, we enhanced our lifestyle programme, Be Well, with a focus on practical support: for example, on-site bike maintenance for our UK employees, and access to bikes for our German team.

We have continued to ensure our employee support offer is strong, with Employee Assistance programmes launched in many of our countries. Through our providers we are able to offer products such as private healthcare, access to remote medical and physio advice, mental health support and a variety of wellness content that we share with our people. In the last year, the Employee Assistance programmes have expanded their service offerings in the majority of our countries. Furthermore, we have installed free feminine vending units for all staff at our Worthing site in the UK.

Where some roles can be carried out remotely and others must be on site or in the office, the business has introduced a set of hybrid working principles throughout the Group that recognise the benefits to the business, the environment and individuals of working flexibly, but also the importance of face-to-face contact and meeting the needs of our stakeholders.

Engagement

We continue to deliver our quarterly internal newsletters and our All Hands calls which is delivered live with recorded versions typically made available for anyone not able to attend. Both these avenues prove to be important communication pillars in order to provide operational and strategic business updates as well as a chance for employees to ask questions.

Talent

Our aim is to manage talent effectively and ensure that we have sufficient capability to realise our strategy.

Environment, social and governance continued

Our people continued

Training and development

We have continued to use the DiscoverLearn system to assign mandatory training courses on compliance and information security topics across the Group. As well as the repeat courses from the previous year, we introduced global mandatory training on intellectual property and sustainability, targeted information security training for high-risk employee groups (e.g. Executives, HR and Finance) and internally created laboratory skills video training for employees in Method Development and QC. The average global completion percentage for all mandatory training courses assigned via DiscoverLearn was 96%.

DiscoverLearn additionally provides employees with access to learning resources and opportunities for personal and professional development. From April 2024, a select list of optional learning was made available to employees in our DACH countries who had previously only been able to use DiscoverLearn for mandatory training. 122 optional learning courses have been used by employees across the Group, with the most popular training including delegation, mindfulness, time management, Microsoft Excel and our Allergy Therapeutics products. Live learning workshops on key business topics have also been delivered by internal and external trainers, with a total number of 168 attendees taking part in 24 workshops during this time.

To help build the capabilities and confidence of UK team leaders and managers working in Supply Operations, Quality and R&D, a new multi-session in-person training programme was designed and delivered by the OD team, with support from UK HR.

21 delegates across two cohort groups took part in the programme, with parts 1-5 running between January and July 2024. Feedback from the delegates showed that 82% of survey respondents said the programme helped them to improve in their role and 91% said they would recommend the training to other team leaders and managers.

Performance management

Allergy Therapeutics has a culture of encouraging continuous performance and development in order to increase productivity and performance. Annual performance objectives for each employee are agreed at performance meetings, with check-in meetings held regularly throughout the year.

Performance is measured against objectives set for the previous year and individual performance ratings underpin discretionary annual bonus awards.

Culture and values

We have four values which comprise of Patients First, Visionary, Menschlichkeit and Commitment. Our values go straight to the heart of everything we do, driving our culture. Our values directly connect our people and their work at Allergy Therapeutics to our purpose.

We have robust policies, including our Code which is an extension of our core values. It is a set of principles and expectations that guide the behaviours of everyone working for and on behalf of Allergy Therapeutics.

For more information on how we are evolving culture within the business, please see page 10.

Diversity and inclusion

We believe that every person in the Group has a part to play in creating value. We understand the benefits of a diverse and inclusive workforce. All aspects of diversity, including physical and other disabilities, are considered when making appointments at all levels. We are keen to develop diverse talent across the business and to ensure that opportunities for training, development and promotion are made equally available to all.

As part of our Diversity, Equity and Inclusion strategy we have been providing ways to raise awareness, educate our employees and create conversations.

As an equal opportunities employer we welcome applications from anyone with the skills, experience and commitment to succeed. Our Code sets our expectations to treat everyone equally and with respect acknowledging that for us to succeed we need to foster an environment where we can flourish. For applicants, as well as employees, with disabilities, this includes considering any reasonable workplace adjustments that might support them in fulfilling roles.

Our gender pay gap reflects the fact that we have a smaller proportion of women than men occupying senior leadership roles. During the year we have engaged a range of contractors who coincidentally are male which has made a difference to our figures this year, with contracting salaries typically being higher. More information can be found in our gender pay gap report on our website **www.allergytherapeutics.com**.

Responsible employer

Allergy Therapeutics is an accredited Living Wage Employer for its UK operations.

The real Living Wage is higher than the government's minimum, or National Living Wage, and is an independently calculated hourly rate of pay that is based on the actual cost of living. It is calculated each year and is announced by the Living Wage Foundation as part of Living Wage Week. We are now one of nearly 13,000 employers in the UK who voluntarily choose to pay the real Living Wage because we believe that a hard day's work deserves a fair day's pay. This commitment applies to not only directly employed staff, but also to our third-party contracted staff, such as our cleaning and maintenance staff.

During the year, the Company implemented redundancies, ensuring that these decisions were made in a manner consistent with its core values. The process was carried out with a focus on fairness, transparency, and responsibility, aiming to minimise disruption while supporting those affected. These actions reflected the Company's commitment to maintaining integrity and respect throughout difficult circumstances.

Environment, social and governance continued

Our responsible governance

At Allergy Therapeutics, our four core values of Patient First, Visionary, Menschlichkeit and Commitment shape how we work and are at the heart of any decision we make. We value our reputation. We want to be a trusted business partner to all our stakeholders: our patients, employees, investors, suppliers and also the communities in which we operate. Creating, building and maintaining trust requires a strong and long-term commitment towards high standards of ethics throughout the entire business.

Ethics and compliance

In previous years, we implemented an improved Ethics and Compliance framework which provided all Group employees with clear expectations of standards of behaviour and ensured a consistent culture of integrity. The framework is subject to ongoing development and periodic review. During the year further updates were made expanding on topics such as fraud and intellectual property.

Health and safety

Keeping our people safe and well is our absolute priority at Allergy Therapeutics. This extends to the safety of any contractors, our patients and our local communities. The Board of Directors has overall responsibility for health and safety and this includes approving the health and safety strategy and reviewing performance at each Board meeting.

During the year, we continued to embed best practice health and safety standards within the business across all our sites; all employees and contractors receive training in health and safety and during the year we recorded one lost time injury (2023: zero). We are taking steps to strengthen our safety culture and have established a Health & Safety Council, which meets regularly.

Our Safety Champions meet regularly, forming the Safety Committee and also the Safety Council which is comprised of management. Safety-based objectives are being incorporated into the operations and quality teams' performance agreements to help drive improvements in our safety culture and safety performance.

Our focus on health goes beyond physical health. We provide employees with a dedicated website that offers advice and guidance on how to improve wellbeing. During the year, the business remained focused on raising awareness for those suffering from mental health and we have trained Mental Health First Aiders on our main sites. The wellbeing programme delivers regular campaigns and training.

Modern slavery

In accordance with the Modern Slavery Act 2015, the Board has approved a Modern Slavery and Human Trafficking Statement, which has been published on our website. The statement details the steps we take to avoid slavery and human trafficking in our own operations and in our supply chain.

We believe that our own operations present minimal risk, but recognise that a higher level of risk is posed by the suppliers we engage with to provide goods and services.

Science, Technology, Engineering and Mathematics ("STEM")

As a healthcare group with a focus on improving allergy treatments through advanced technology, we want to encourage and support the next generation of scientists and healthcare professionals. During the year, the Group continued its support for activities in STEM subjects in Europe, organising work experience activities and placements for students in Spain and the UK.

Allergy-related initiatives

In the year the Group attended the European Academy of Allergy and Clinical Immunology ("EAACI") exhibiting a corporate booth, scientific symposium and poster presentations. EAACI helps drive awareness of the existence of allergy treatments, supports the training of a new generation of allergists and supports initiatives into food allergy and awareness. We were awarded the 'Outstanding Poster Presentation Award' for our poster presentation 'Meta-analysis of primary endpoint of PQ Grass field studies and optimised dose and treatment regimen of PQ Grass'.

Other community projects

During the year, the Company donated needles and syringes to InterCare, a charity that focuses on medical aid for Africa.

Strategic framework

Expanding in Europe

Strategic priorities

- Strongly performing profitable business
- Growing existing market share, additional product registrations and entering new markets
- Drive market position by world-class supply chain and increased patient adherence

Progress in 2023/24

£55.2m

Net sales of £55.2m (2023: £59.6m) representing a 7% reduction as a consequence of 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.

EBITDA pre-R&D and exceptional costs was a loss of £6.8m (2023: loss of £10.6m). Effective cost controls implemented during the year have significantly reduced the operating cost base of the Group (pre-R&D and exceptional costs).

Revenue for H2 has increased by 2% to £21.6m (H2 2023: £21.2m), representing the first period of half-year growth seen since 2021.

Progress towards the registration of approved products.

Collaborative meetings held with the Paul-Ehrlich-Institut ("PEI") to discuss proposed Chemistry, Manufacture and Controls ("CMC") and clinical packages in support of upcoming Grass MATA MPL Marketing Authorisation Application ("MAA"), on track for submission in Q4 2024.

Objectives for 2024/25

- Sales recovery
- Improvement in gross margin
- Improvement in EBITDA pre-R&D and exceptionals

Strong pipeline

Strategic priorities

- New technologies underpin pipeline depth in convenient products
- Investment strategy supported by improving EBITDA pre-R&D

Progress in 2023/24

7 products in pipeline

G306 pivotal Phase III trial to evaluate efficacy and safety of Grass MATA MPL met primary endpoint. The primary endpoint of the trial, "Combined Symptom & Medication Score ("CSMS") averaged over the peak pollen season", 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 Grass MATA MPL.

First-in-human Phase I PROTECT trial began dosing trial participants in March 2023. Dosing of healthy volunteers in the first two cohorts completed.

Patients who are allergic to peanuts had previously completed skin-prick testing in the PROTECT trial and have now also received subcutaneous dosing of the candidate vaccine. The peanut allergic patient cohort has now completed three incremental dose levels over two months with no safety signals observed.

Objectives for 2024/25

- Initiate the recruitment of subjects for the long-term paediatric trial for Grass MATA MPL
- Proceed with submission for the registration of Grass MATA MPL in EU
- Complete the VLP Peanut PROTECT study

US entry

Strategic priorities

- Significant opportunity in largest allergy market
- Develop market access approach and relationships
- Secure funding for successful clinical development plans to deliver market access strategy

Progress in 2023/24

G306 pivotal Phase III trial completed to support registration in the US.

US key opinion leaders involved in P101 VLP Peanut (PROTECT) trial.

Plans underway for discussions with the US FDA on progression of clinical programme including the study G307 to meet the required total number of US subjects treated using the product intended for registration.

Objectives for 2024/25

- Progression of the VLP Peanut clinical programme towards Phase II

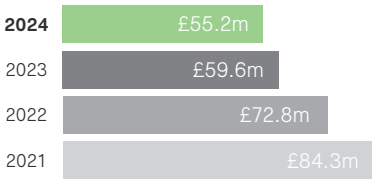
Key performance indicators ("KPIs")

We measure performance against key performance indicators which are selected to reflect Group strategy.

Financial measures

Net revenue[1]

£55.2m



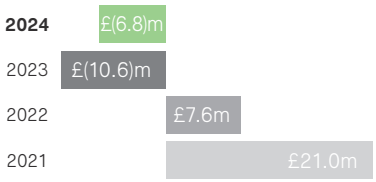
Why is it a KPI?
Net revenue tracks the Group's ability to generate and fulfil demand for its products. "Net revenue" is as defined in IFRS 15.

Performance
Recent years have seen a decline in net revenue due to supply constraints from the manufacturing pause in 2022 and capacity allocated to investigational medicinal product batches for use in clinical trials.

Link to strategy
Net revenue is linked to our first strategic pillar, Expanding in Europe, see page 23.

EBITDA pre-R&D and exceptionals[2]

£(6.8)m



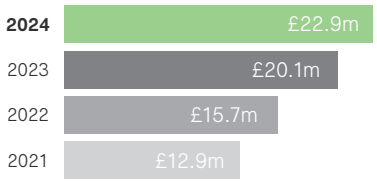
Why is it a KPI?
EBITDA pre-R&D and exceptionals is a measure of the Group's ability to generate cash for reinvestment in product development. This is an alternative performance measure, see Note 4 for a reconciliation to the equivalent IFRS measurement.

Performance
Recent years have seen a decline, reflecting the decrease in revenue; however it has improved in 2024 as a consequence of the cost-saving initiatives undertaken to significantly reduce the cost base of the Group (pre-R&D and exceptionals).

Link to strategy
EBITDA pre-R&D and exceptionals is linked to our first strategic pillar, Expanding in Europe, see page 23.

R&D expenditure

£22.9m



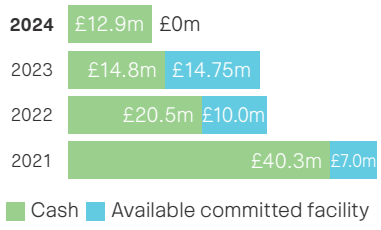
Why is it a KPI?
R&D expenditure tracks the Group's ability and commitment to develop existing and new products.

Performance
Year-on-year the Group has invested more in R&D as it progresses its products through the clinical trial processes.

Link to strategy
R&D expenditure is linked to all of our strategic pillars, see page 23.

Cash and available facilities[3]

£12.9m



Why is it a KPI?
Cash and available facilities measures the resource that we have to fund trading and research and development activity until products can be sold.

Performance
Sufficient cash and available facilities have been maintained throughout the period[4]. As at June 24 the Group had £17.5m of the uncommitted shareholder loan facility available.

Link to strategy
Available funding is linked to all of our strategic pillars, see page 23.

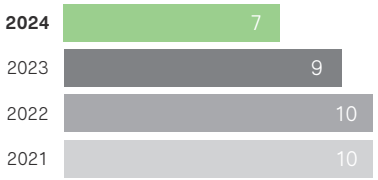
1. Net revenue is gross revenue once cash discounts and statutory rebates have been deducted.
2. EBITDA pre-R&D and exceptional items is operating profit/(loss) before interest and tax with depreciation, amortisation, R&D expenditure and exceptional items included in operating profit/(loss) before interest and tax added back.
3. Cash and available facilities is cash at bank and in hand plus any committed but undrawn loan facilities available. Uncommitted facilities available in FY23 and FY24 are disclosed separately.
4. Post period, further funding was secured, for further information please refer to Note 34 for details of events after the balance sheet date.

Key performance indicators ("KPIs") continued

Non-financial measures

Number of products in pipeline

7



Why is it a KPI?

The success of the Group is dependent on having a portfolio of existing and new products at various stages of development.

Performance

Grass MATA MPL continues its development with successful read outs in key pivotal trials and plans are progressing to first register the product with the PEI under the TAV programme in Germany. The PROTECT trial (VLP Peanut) continues to run as planned and data observed thus far supports the hypo-allergic safety profile of VLP Peanut. Efficacy suggestive biomarker analysis is expected to be available in Q4 2024.

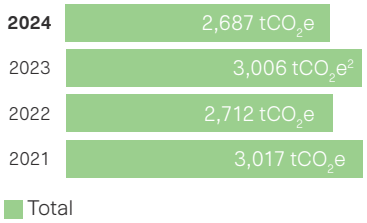
Link to strategy

The number of products in pipeline is linked to all of our strategic pillars, see page 23.

Gross emissions (tCO_2e)[1]

2,687

tCO_2e



Why is it a KPI?

We are committed to reducing the impact of the Group on the environment and track this using this standard objective measure.

Performance

Our emissions have increased over the last couple of years as more employees have returned to the workplace. This increase has been driven by an increase in purchased steam in the UK. For future years, we aim to strengthen our business security with our own Energy Centre in Worthing.

Link to strategy

Managing the Group's gross emissions is a core element of our cultural value, Our planet, see pages 15 to 18.

1. This is based on SECR data.
2. Amount restated from prior year due to estimated data being replaced with actual data.

Our products

The Group sells a wide range of aluminium-free allergy therapies and diagnostics. The majority of revenue arises from sales of allergy therapies.

Since specific immunotherapy was first carried out successfully in the early 20th Century, it has become established as the only therapy that addresses the cause of serious allergic reactions.

Our products

The Group sells both injectable and sublingual (oral) allergen-specific immunotherapies. The most commonly prescribed are those for the treatment of pollen-related allergies, particularly for allergies to grasses, weeds and trees. The therapies trade under various brand names depending on the market, e.g. Pollinex Quattro, Polligoid and TA Gräser Top.

Pollinex Quattro

Pollinex Quattro, launched in 1999, heralded a transformation in immunotherapy by introducing allergy vaccination with only four injections per course. The short-course regime can be achieved due to the use of MicroCrystalline Tyrosine ("MCT®") adsorbed allergoids, an improved extract allergen that has been modified in order to lower allergenicity while maintaining most of the immunogenicity, and the innovative adjuvant monophosphoryl-lipid A ("MPL"). An adjuvant is a substance which improves the immune response to an antigen or allergen.

Oralvac

Our sublingual product is Oralvac Compact, with a dosing schedule which allows for a more rapid and simple escalation of dosage, making treatment more convenient for patients and doctors. The course can be taken by the patient in their own home and is raspberry flavoured for improved patient compliance.

Venomil

Wasp and bee treatment is provided by our freeze-dried Venomil product, which can be used via a 'rush' dosing regimen.

Venom ATL Polistes Dominula

Venom ATL Polistes Dominula is available as a treatment option in Spain. This is a vaccine and diagnostic product which can be ordered by community pharmacies or hospitals.

Synbiotics

Synbiotics are special formulations of prebiotics and probiotics. Synbiotics act as bio-immunomodulators of the immunologic response. The Group supplies three synbiotic products (Kallergen-Th, ATI-Prob and Pollagen) across Spain, Austria, Germany and Italy. The Group additionally supplies a synbiotic product, Syngut, specifically designed for food and lactose intolerance. The products contain specific combinations of Lactobacilli and Bifidobacteria.

Between 2015 and 2016, two further products were launched in line with the WAO guidelines for atopic dermatitis prevention: our first synbiotic in drops, Kallergen Baby, for the prevention of atopic dermatitis in children from birth to three years old; and Kallergen Mamy, for pregnant women with high risk of atopic disease.

Acarovac Plus

Acarovac Plus is a novel MCT-adsorbed, modified-allergen product developed to address the cause of perennial mite allergy. The product has been standardised to meet a dose regime consistent with 'one vial' convenience. Clinical evaluation has been completed, demonstrating excellent patient tolerability and serological analyses consistent with a favourable shift in Th1/Th2 balance compared with an unmodified version of the product (one-year follow-up study with Dr Albert Roger, Director of the Allergy Unit at Hospital Universitari Germans Trias i Pujol, Barcelona, Spain).

R&D report

Successful outcome of Phase III clinical trial and progression of Phase I/IIa peanut

We think beyond symptom management and aim to treat the causes. Together we're changing the way people think about allergies.

Clinical progression of the MATA MPL platform

Grass MATA MPL, the Group's short-course subcutaneous allergen-specific immunotherapy ("SCIT") candidate that aims to address the cause of symptoms of allergic rhinoconjunctivitis due to grass pollen, has made huge strides this year with the successful completion of the pivotal Phase III G306 trial which supports our strategy to register the product with the Paul-Ehrlich-Institut ("PEI") under the TAV programme in Germany.

The pivotal Phase III G306 trial completed in Q4 2023 and met the primary endpoint where the active treatment group demonstrated a highly statistically significant reduction in Combined Symptom & Medication Score ("CSMS") of -20.3% ($p \leq 0.00024$) compared to placebo over the peak pollen season.

In addition, a strong, statistically significant induction of the protective biomarker IgG4 was seen during the grass pollen season between active and placebo ($p \leq 0.0001$) and there was a statistically significant overall improvement in the quality-of-life score, according to the Rhinoconjunctivitis Quality of Life Questionnaire ("RQLQ") ($p \leq 0.0003$). No unexpected safety events were observed with Grass MATA MPL 27,600 SU.

Positive regulatory discussions were held with the PEI early in 2024 regarding the results of the pivotal Phase III G306 trial, as well as the data in support of CMC requirements and the subsequent regulatory pathway to national registration. During these meetings, key trial data from the pivotal Phase III G306 trial were shared, alongside supporting CMC data that the Group plans to use as the basis for the proposed marketing authorisation application ("MAA").

Feedback was constructive and the PEI confirmed that, subject to the usual regulatory approval procedures and detailed data analysis, the Group may proceed with a MAA. As previously announced, the Group intends to submit a MAA to PEI in Q4 2024 and this remains on track.

The completion of the G309 and G306 field studies represents a significant milestone in plans for registration in the US. Following an earlier successful end of Phase II meeting with the FDA, the subsequent studies were designed to support a pathway forward to BLA in the US with both G309 and G306 studies including US subjects and it is also planned to include US subjects in the upcoming five-year long paediatric study (G308), which is expected to begin later in 2024.

A specific requirement for the FDA will involve a further study, known as G307, to meet the required total number of US subjects treated using the product intended for registration and the Group is planning for meetings with the FDA to agree a route forward. The total US allergy immunotherapy market is estimated to be worth $2.4bn with around 25% of the patients suffering from grass allergy. This offers the potential for peak sales for Grass MATA MPL of about $300m to $400m per annum.

VLP Peanut

The clinical development for the Group's innovative, short-course peanut allergy vaccine candidate, VLP Peanut, via subcutaneous injection is progressing as planned. The ongoing Phase I/IIa VLP Peanut PROTECT trial is evaluating the maximum safe and tolerated dose of the Group's peanut allergy vaccine candidate and includes assessment of biomarker efficacy in peanut allergic patients.

The trial, which is being run in centres in the US, is being conducted in two parts:

- Part A: Open-label study of healthy subjects (Group A1) who are undergoing subcutaneous dosing with ascending concentrations of VLP Peanut. Peanut allergic subjects (Group A2) underwent skin prick tests performed with ascending concentrations of the vaccine candidate.
- Part B: Following satisfactory safety results from Part A, the study has proceeded to a double-blind, placebo-controlled Part B enrolling peanut allergic patients who are receiving subcutaneous injections of the vaccine candidate.

Patients who are allergic to peanuts had previously completed skin-prick testing in the PROTECT trial and to date they have now completed three incremental subcutaneous dose levels over two months with no safety signals observed. Healthy subjects in the PROTECT trial have received a 400-fold dose increase of VLP Peanut, providing strong confidence that the VLP technology within the vaccine candidate is safe and well tolerated at high cumulative doses.

This is essential for further clinical development of VLP Peanut as the trial's external safety review committee agreed that the doses administered so far have been safe and well tolerated and dose increments in next cohorts can proceed as planned to similarly high doses in peanut allergic patients, to establish the dose range to be considered for the upcoming Phase IIb study.

The PROTECT trial continues to run as planned and data observed thus far supports the hypo-allergic safety profile of VLP Peanut which is a key step in realising its potential as a transformative option for peanut allergy sufferers. Efficacy suggestive biomarker analysis is expected to be available in Q4 2024.

No safety signal has been observed to date. We are hugely encouraged by the progress of the PROTECT trial and believe that the data provides assurance of the hypo-allergic safety profile of VLP Peanut, a key step in realising the potential of this transformative option for peanut allergy sufferers.

The likely posology of VLP Peanut is just three injections, followed by a further boost after a number of years, representing a significantly lower burden of dosing for patients compared with currently available oral treatments. These only increase tolerability to the peanut allergen and require daily dosing over many months or years, which can limit adherence. While transient monoclonal antibody treatments have shown potential in the field of peanut allergy therapeutics, they remain expensive, require regular treatment and are not disease modifying.

R&D report continued

VLP Peanut continued

The availability of a safe and effective short-course vaccine that provides long-term protection and induces a long-lasting protective immune response would present a paradigm shift in how peanut allergy can be managed and has the potential to be a significant product in the worldwide food allergy market. VLP Peanut reflects the Group's commitment to the development of transformative treatment options, with the ultimate goal of improving the patient experience and delivering better patient outcomes.

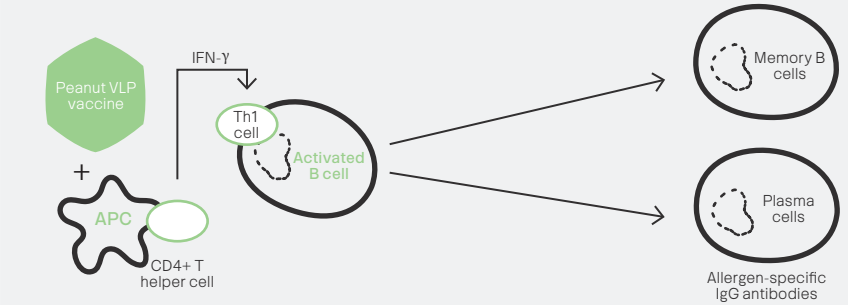
Use of the VLP platform in areas outside of allergy

The Group continue to evaluate new vaccine candidates via initial pre-clinical assessment in disease areas outside of allergy such as cancer and eosinophilic asthma. These vaccine candidates are based upon the same VLP technology the Group is utilising in the VLP Peanut programme and offer the potential to be disruptive in these disease areas.

Scientific conferences

During the 2024 European Academy of Allergy and Clinical Immunology ("EAACI") meeting in Valencia, Spain, the Group presented 13 poster sessions and held a symposium announcing the results and potential of the Grass subcutaneous clinical programme.

Vaccination against peanut allergy via virus-like particles

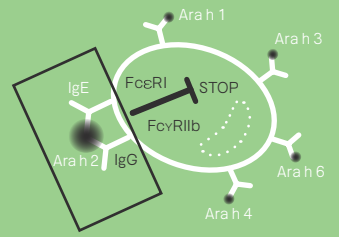


1 Peanut antigens displayed on the surface of VLPs do not illicit an allergic reaction because they only activate a limited number of neighbouring mast cells.

2 Instead, the design of the vaccine candidate allows efficient trafficking of VLPs to antigen-presenting cells ("APCs") and B cells.

3 There is therefore direct uptake of VLPs via APCs where they interact with CD4+ T helper cells, releasing interferon-gamma (IFN-γ).

4 The interaction between activated B cells (subsequent to antigen uptake) and Th1 cells is essential for long-lived IgG response and memory B cell response.



5 In the presence of high levels of IgG antibodies specific for a single allergen, IgG-immune complexes are formed and inhibit IgE-medicated signals, including those from IgE molecules cross-linked by other peanut allergens preventing anaphylaxis upon accidental exposure.

Intellectual property – patents

The Group's patent portfolio contains both granted patents and pending patent applications, covering both marketed and pipeline products. This year the Group continued to file patent applications to protect competitive position, especially focusing on expanding protection of VLPs. Our diverse portfolio provides protection for products, platform technologies and methods of manufacture.

The portfolio continues to be maintained in over 30 jurisdictions, including both the United States and Europe.

Pipeline

For further information about our R&D pipeline please visit our website at **https://www.allergytherapeutics.com/our-science/research-and-development/product-development/.**

Effective risk management

We recognise that our purpose and mission can only be realised through effective risk management.

Our risk management framework and internal control systems enable the Group to identify, assess and prioritise risks within the business and seek to minimise, control and monitor their impact. This helps us to meet our strategic objectives and deliver the long-term growth and viability of our business.

The Board has overall responsibility for Group risk management and it is firmly embedded within our everyday business activities and our culture. Risk is a standing agenda item at Board meetings, where principal and emerging risks are reported, together with the actions taken to mitigate them. The Board has delegated responsibility for the review of the adequacy and effectiveness of the Group's internal control framework to the Audit and Risk Committee.

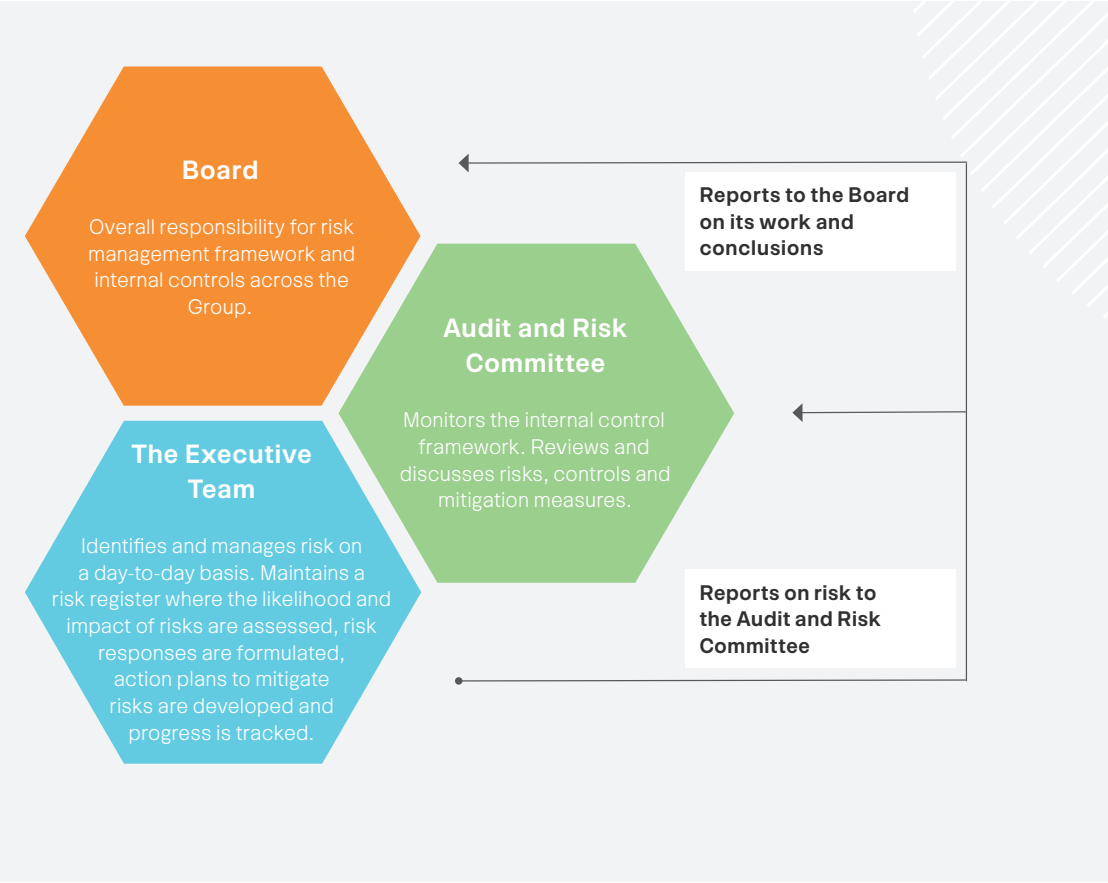
The Executive Team are responsible for the day-to-day operational and commercial activity across the Group and are therefore responsible for the management of risks in their own business functions.

Senior leaders across the business identify and manage the risks for their division or function and a risk register is maintained which contains all current and emerging risks. The severity of each risk is assessed through a combination of each risk's likelihood and impact. In assessing impact, consideration is given to financial, reputational and regulatory factors, and risk mitigation plans are established.

Any emerging risks or changes to risk profiles are reported and discussed at Executive Team meetings. This gives rise to a more risk-aware culture and consistency in decision-making across the organisation in line with the corporate strategy. All corporate decision-making takes risk into account, in a measured way, while continuing to drive business growth.

The risk framework manages rather than eliminates risk and has helped us to develop a more risk-aware culture.

Risk management structure



Principal risks and uncertainties

The Board has overall responsibility for the Group's system of risk management.

In common with many pharmaceutical companies, the Group faces a number of risks and uncertainties. Internal controls are in place to help identify, assess, manage and mitigate these risks.

Risk	Description of risk and impact	Mitigation	Developments in 2024
Clinical, legal and regulatory	- The Group operates in several highly regulated environments for the testing, manufacture and supply of its products. Compliance with clinical and regulatory requirements affects not only the cost of product development and resource use, but also the time required to comply. - Increased regulation may require products to be amended to comply with regulations and/or products have to be withdrawn, reducing revenues and/or increasing costs (such as the TAV process or Coordination Group for Mutual Recognition and Decentralisation Procedures - Human ("CMDh")). - Regulatory authorities are increasingly focused on the benefit/risk of pharmaceutical products and safety data, making it more onerous to obtain regulatory approval. - Failure of a critical trial could lead to the requirement to withdraw a product from the market, a delay in development of a new product and loss of investor confidence in the Group's ability to carry out successful clinical trials. - The Group must remain compliant with all relevant laws and regulations and this can be a fast-changing landscape. - Intellectual property may be challenged at any time and any unsuccessful defence may cause the Group to lose protection for its products and subsequently affect further development and sales. - The Group is reliant on some intellectual property owned by external stakeholders that, if lost, could hinder the commercialisation of some of its products.	- Working with reputable third parties. - Learnings from previous trials. - Compliance systems are in place to ensure all clinical, manufacturing and marketing activities comply with regulations in the EU and other territories. - Standard operating procedures are maintained to ensure compliance with good manufacturing practice. - Strict monitoring of new industry regulations and engagement with key regulatory authorities to inform the Group's strategic direction and identify factors likely to affect the future development, performance and position of the Group's business. - The Group has a regulatory team that tracks changes in the regulations. The Group continues to work to ensure its products remains compliant with ongoing regulatory requirements in order for such products to remain on the market. - The Group works to minimise the risk of clinical failures by reviewing all factors in a trial, such as diaries, posology or patient training. - Policies and procedures are in place in order to comply with legislation and the Group considers that its standards are in line with those of quoted businesses of a similar size, but these may not be enough to avoid breaches. - Know-how protected by non-disclosure agreements. - The use of internal and external patent experts. - Arrangements in place to notify the Group of any infringements of our intellectual property, which it would defend robustly.	- The Group has continued to invest in additional compliance resource, quality management systems training and guidance. - Collaborative meetings held with the Paul-Ehrlich-Institut ("PEI") to discuss proposed Chemistry, Manufacture and Controls ("CMC") and clinical packages in support of upcoming Grass MATA MPL Marketing Authorisation Application ("MAA"), on track for submission in Q4 2024.

Principal risks and uncertainties continued

Risk	Description of risk and impact	Mitigation	Developments in 2024
IT software and systems	- The business is heavily dependent on IT systems to operate. Any failure of the hardware or software could significantly impact the business - Cybercrime continues to pose a threat with the risk of data theft, fraud or data ransom.	- Investment has been made in renewing the servers and supporting software to make the infrastructure more robust. - Regular reviews of vulnerabilities to cyber attack are carried out by experienced external parties. - Investment in software to protect the business and access to systems.	- Review of IT structure and support. - Regular cyber security training of staff. - Continued to implement recommendations from prior independent third-party review of cyber security.
Production and product liability	- A significant majority of the Group's products are manufactured on the Worthing site, which is shared with GSK. Any disruption to production caused by internal or external factors could materially affect the business. - Production is reliant on raw materials, some of which are from single sources. Any disruption to supply could have a significant effect on production. - The Worthing site is leased from GSK and there is a risk that the lease is terminated or not renewed. - A production failure, variation in batch leading to out-of-specification, loss production time, storage or distribution of products outside of permitted temperature controls, or insufficient product stock could result in wide ranging financial impact. - Despite extensive product testing prior to market launch, products may produce unanticipated adverse side effects that may hinder their marketability. The Group may be insufficiently covered for any potential litigation, which in some cases can potentially be open-ended. - The Group's manufacturing facilities and those of some of its suppliers are subject to regulatory requirements and there is a risk that such facilities may not comply with such requirements leading to special measures or closure.	- Regular maintenance and upgrade of the facility and equipment undertaken. - In respect of the lease, the Group has negotiated a long termination notice period. - In respect to steam and utilities to the Worthing site, a plan has been formulated and is being executed for the Group to become independent of GSK. - Work continues on reducing variability and the methods for testing content. - Maintenance of product liability insurance and ensuring systems and processes relating to the manufacture, storage and distribution of its products are compliant and regularly reviewed. - The pharmacovigilance team receives and processes reports of adverse reactions, medication errors, off-label use and other special situations. It monitors and analyses safety data trends and addresses any arising safety issues. - Quality assurance procedures are in place with regular checks and reviews to ensure standards are maintained. - Safety stocks maintained to protect against vaccine shortages or dual sourcing where possible. - Category management process implemented to ensure ongoing development of long-term strategic relationships with key supply partners. - Multi-year supply agreements established and renewed for critical materials ensuring continuity of supply. - Improved risk management processes in place with appropriate mitigation strategies in place. - Collaborating with supply partners to promote sustainable supply initiatives, particularly with natural raw materials subject to climate risk. - Dual sourcing initiatives developed for critical materials.	- New Energy Centre is being commissioned which will make the Group independent in terms of energy supply from GSK. - The business continues to invest in further upgrades to ensure that the highest standards are maintained at its manufacturing facilities. - Kicked off strategic reviews looking at ways of further expanding our production capacity. - Aligning production to ensure stock levels meet anticipated sales forecasts.

Principal risks and uncertainties continued

Risk	Description of risk and impact	Mitigation	Developments in 2024
Commercially viable production pipeline	- Continued development of viable new products and their successful registration and marketing, while costly and lengthy, is key to the success of the Group. Significant investment is no guarantee that a product will receive regulatory approval and/or will be commercially successful.	- Significant number of new products in the pipeline. - The Group works with key opinion leaders to raise awareness of products, new products and their benefits to patients. - Market research for new products.	- Ongoing work on new registrations for approved products in other markets. - Collaborative meetings held with the Paul-Ehrlich-Institut ("PEI") to discuss proposed Chemistry, Manufacture and Controls ("CMC") and clinical packages in support of upcoming Grass MATA MPL Marketing Authorisation Application ("MAA"), on track for submission in Q4 2024.
Financial	- Adequate funding may not be available to the Group, either through reserves or external partners, for day-to-day working capital and/or the advancement of clinical trials. Failure to obtain further funding may cast doubt on the Group's ability to continue as a going concern and/or lead to postponement or cancellation of clinical trials. - The majority of the Group's sales are denominated in Euros whilst the manufacturing and most corporate administration costs are in the UK and denominated in Sterling, therefore the Group is exposed to exchange rate fluctuations.	- Robust measures are in place for the Board to understand, review and approve the funding requirements of the Group on a regular basis. - The major shareholders are aware of the Group funding needs over the next 12 months and remain supportive of the business. - Note 27 in the notes to the consolidated financial statements gives details of the Group's objectives and policies for risk management of financial instruments.	- The major shareholders have provided sustained funding to the Group over the last 18 months, most recently via the participation in the uncommitted £40m loan facility. - Continued work to maximise cash position in the business. - Reduction of overheads through ongoing effective cost control. - Post period, further funding was secured, for further information please refer to Note 34 for details of events after the balance sheet date.

Principal risks and uncertainties continued

Risk	Description of risk and impact	Mitigation	Developments in 2024
Key personnel	- The Group is reliant on a number of key qualified scientific, technical and management personnel. Competition for such personnel is intense and there can be no assurance that the Group will be able to continue to attract and retain such personnel. Loss of these key personnel could adversely impact the effectiveness of the Group's operations.	- Externally benchmarking remuneration and developing succession planning. - The Group has created a process to identify and develop talent in the organisation.	- The Group has approved a new LTIP plan for key personnel, for further information please see page 48. - The Remuneration Committee has put in place appropriate measures to retain key personnel.
Economic	- Competitors may reduce prices or increase sales investment, making maintaining market share less profitable. - The Group may be unable to attract investors to fund our R&D pipeline. - Approximately 49% (2023: 54%) of Group sales are made in Germany and therefore Group results are particularly sensitive to sales performance in the German market. - Pharmaceutical products are subject to far greater controls on price in certain markets than other products in the marketplace. Further in some cases governments intervene directly in setting price levels and rebates. The Group cannot predict when, where and how such controls and restrictions may be altered, either to its benefit or detriment. - There is significant global economic uncertainty due to geopolitical events, pandemics, climate change, inflation, stagnating economies and technological change including artificial intelligence.	- Continuous effort to expand revenue outside Germany as well as diversify into adjacent markets. - Regular reviews conducted of pricing and reimbursement levels and assessments of healthcare reforms on pricing. - Continued monitoring of changes in the global economy to identify opportunities as well as threats and to ensure we have plans in place to minimise the negative impact of external factors.	- Reimbursement levels remained stable over the year and, in certain cases, price rises have been allowed. - In agreement with the GKV-Spitzenverband, adjusted discounts for the future have been published as of 1 March 2024. The best possible estimate of the amounts to be reimbursed for past periods has been recognised as a liability, please see Note 26.

Financial review

Dr. Shaun Furlong
Chief Financial Officer
5 November 2024

£55.2m
Revenue
(2023: £59.6m)

£(6.8)m
EBITDA loss excluding R&D and exceptionals[1]
(2023: loss of £10.6m)

£(40.2)m
Net loss after tax
(2023: net loss £43.1m)

1. See Note 4 for details of Alternative performance measures.

Business performance

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 £40.0m 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 (see Note 24).

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 programme, capital expenditure and working capital.

Financial review continued

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 £170.0m of unutilised tax losses (2023: approximately £130.0m) 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 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 34 for details of events after the balance sheet date.

Dr. Shaun Furlong
Chief Financial Officer
5 November 2024

The strategic report, as set out on pages 1 to 35, has been approved by the Board.

On behalf of the Board.

Manuel Llobet
Chief Executive Officer
5 November 2024

Board of Directors

A good balance of skills and experience to support the delivery of the Group's strategy.

Key to Committees:

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- ⬢ Denotes Chair of a Committee

Peter Jensen OBE
Chairman

Peter is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. Peter held a number of senior positions in his 21 years with SmithKline Beecham, including Chairman of Consumer Healthcare Europe and President of Worldwide Supply Operations.

Peter has previously held Non-Executive or Chairman roles at a number of public and private companies including Domino Printing Sciences plc, Glenmorangie plc and Genetix Group plc.

External appointments:

None.

Manuel Llobet
Chief Executive Officer

Manuel has been CEO of Allergy Therapeutics plc since 2009, shaping strategy and driving growth. Prior to this, Manuel was the Principal Consultant for Biohealth LLC and CEO of International Operations of the Weinstein family's group of companies.

Manuel holds both degrees in Chemical Engineering and BSc in Industrial Business Management, an MBA from IESE Business School and a Senior Executive Program from Stanford University Graduate School of Business.

External appointments:

None.

Dr. Shaun Furlong
Chief Financial Officer

Shaun has been CFO of Allergy Therapeutics since August 2023, having previously served as Group Financial Controller since April 2022. He brings significant financial experience, having held senior finance roles within blue-chip companies across multiple sectors, including Legal & General, Hastings Direct, Volution Group and American Express. Shaun is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a PhD in polymer chemistry from the University of Sussex.

External appointments:

None.

Tunde Otulana
Independent Non-Executive Director and Senior Independent Director

Tunde has been the Chief Medical Officer of Veloxis Pharmaceuticals in North Carolina, USA, since August 2020. Prior to Veloxis he was Senior Vice President and Chief Medical Officer at Mallinckrodt Pharmaceuticals. Tunde's career includes leadership roles at Boehringer Ingelheim Pharmaceutical Inc. and the US Food and Drug Administration ("FDA"). Tunde is a physician trained in Pulmonary and Critical Care Medicine.

External appointments:

Veloxis Pharmaceuticals, Inc.

Board of Directors continued

Cheryl MacDiarmid
Independent Non-Executive Director

Cheryl has broad and deep global commercial experience in the biopharmaceutical sector. She trained as a pharmacist, during her 30-year tenure with GSK, Cheryl held senior executive positions in Canada, the US and Europe with responsibility for P&L, strategy and operations across numerous therapy areas including Allergy, Respiratory, Vaccines and HIV.

External appointments:

None.

Anthony Parker
Non-Executive Director

Anthony is the Southern Fox nominated Director on our Board. He has worked in investment banking and fund management for over 30 years and, as Founder and Partner of Beagle Partners LLP, which advises Southern Fox, has managed or advised on multiple UK innovation technology investments. Anthony is Founder and Chairman of Argonaute RNA Ltd, a UK-based research company developing safe and reliable methods of temporarily silencing target genes in different tissue cells. Prior to this, Anthony held senior roles at ING Barings and was an equity analyst for Cazenove & Co. He holds an Investment Management Certificate from the Institute of Investment Management and Research.

External appointments:

Argonaute RNA Limited; Bristol Bluegreen Limited; Beagle Partners LLP; CBDerma Technology Limited; Inverpharma Limited; Las Lilas Limited.

Simon Shen
Non-Executive Director

Simon is the nominated Director of SkyGem Acquisition (an affiliate of ZQ Capital). He founded the investment and advisory firm, ZQ Capital, in 2015. Prior to that Simon spent more than a decade as an investment banker advising international companies on their capital markets activities. He was Managing Director and Head of China Financial Institutions Group at Barclays from 2011 to 2015, following earlier roles at Goldman Sachs, Lehman Brothers and McKinsey & Company. He has a BA in Mathematics and Economics from Wesleyan University.

External appointments:

CC HK Holdings Limited; Fortune Yacht Limited; Nu Skin Enterprises, Inc; Ping An ZQ China Growth Opportunity Ltd; Sky Venture Partners LP; SkyGem Acquisition Limited; SkyGem Global Limited; SkyGem International Holdings Limited; SkyGem Investment Limited; SkyGem UK Holding Limited; Tahiti Wealth Holdings Limited; ZQ Asset Management Limited; ZQ Capital Hong Kong Holdings Ltd; ZQ Capital Hong Kong Limited; ZQ Capital Limited; ZQ Capital Management Limited; ZQ Capital Services Limited; ZQ Evergreen Partners LP; ZQ Partners Ltd; ZQ SkyGem Investors LP; Z-Trans Technology Company Limited.

David Ball
Independent Non-Executive Director

David has over 25 years of experience in financial markets, including 15 years as an equity portfolio manager and partner with Tudor Investment Corporation. David is a chartered accountant and holds undergraduate and postgraduate degrees in engineering from University of Cambridge.

External appointments:

DeepForm Limited; Argonaute RNA Limited; Brainomix Limited.

Corporate governance report

Chairman's introduction

Peter Jensen OBE
Chairman
5 November 2024

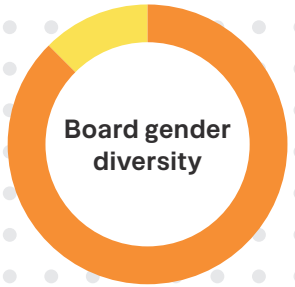
Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Group's corporate governance report for this year. The Board ensures that the Group operates in line with its purpose, culture and values while delivering the strategy. This report, and the Committee reports which follow, explain how the Board, its Committees and the broader governance framework work together, and how we applied the principles of the Quoted Companies Alliance Code (the 'QCA Code').

The QCA Code was first devised in 2013 and updated in 2018 (the 'QCA Code (2018)'). During this financial year the QCA Code has changed (the 'QCA Code (2023)'). The QCA recommend a transition period of 12 months beginning from 1 April 2024. For clarity, in this Annual Report the Company is making disclosures following the QCA Code (2018). Next year, disclosures will be made following the QCA Code (2023).

Key changes to the corporate governance structure in the year include making climate-related risks and opportunities (and ESG risks and opportunities more widely) part of the risk register and moving responsibility for the Group's approach to ESG to the Company Secretary, Karley Cheesman. In turn the ESG Committee and Climate Risk Team were disbanded. Further information regarding these changes is set out within the Non-Financial and Sustainability Information Statement on page 15.

Peter Jensen OBE
Chairman
5 November 2024



Corporate governance report continued

Our governance framework

The corporate governance framework comprises of matters reserved for the Board, the establishment of Committees with clear Terms of Reference and the delegated authorities matrix, which enables decision-making at appropriate levels within the Group.

Corporate governance statement

The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The Board believes that the QCA Code provides an appropriate and suitable governance framework for a group of our size and complexity.

This corporate governance statement addresses how the Group complies with each of the ten principles of the QCA Code (2018). For further information please see our website **https://www.allergytherapeutics.com/qca-code-compliance-statement/**. Further disclosures relating to each principle can be found in other sections of the 2024 Annual Report and Accounts (the '2024 Report') as indicated in the table below:

No.	Principle	Disclosure in the 2024 report
1.	Establish a strategy and business model which promote long-term value for shareholders	Page 9
2.	Seek to understand and meet shareholder needs and expectations	Pages 12 to 14
3.	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Pages 12 to 14
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Pages 29 to 33
5.	Maintain the Board as a well-functioning, balanced team led by the Chairman	Pages 36 to 43
6.	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	Pages 36 and 37
7.	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Page 41
8.	Promote a corporate culture that is based on ethical values and behaviours	Pages 10 to 22
9.	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Page 39
10.	Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Pages 12 to 14 and 43

The Board

The role of the Board is to collectively promote the long-term success of the Group, generating value for shareholders and providing effective leadership and direction to the business as a whole. It agrees the Group's strategy, having regard to all stakeholders, while maintaining a balanced approach to risk within a framework of effective controls. It has also established the Group's purpose and values and monitors culture to ensure alignment. It sets the tone and approach to corporate governance and is responsible for the overall financial performance of the Group.

The Committees

The principal Board Committees are the Audit and Risk, Remuneration and Nomination Committees.

Each Committee has its own Terms of Reference, approved by the Board, which are reviewed periodically and are available to view at **www.allergytherapeutics.com.**

The Audit and Risk Committee

Oversees financial reporting and monitors internal controls including the effectiveness of risk management. Monitors the effectiveness of the internal and external auditors.

See more on pages 45 to 47

The Remuneration Committee

Sets, reviews and recommends the Group's overall remuneration policy and strategy and monitors their implementation.

See more on pages 48 to 55

The Nomination Committee

Evaluates and makes recommendations regarding Board and Committee composition and succession planning.

See more on page 44

Executive Team

The Executive Team is responsible for the day-to-day running of the business. The team meets at least monthly and receives regular reports on risks to major projects, financial and key business matters. Relevant matters are reported to the Board by the Chief Executive Officer, Chief Financial Officer or the Company Secretary.

Corporate governance report continued

Roles and responsibilities

The Board members have separate, clearly defined roles and responsibilities, as set out in the table below. Each member of the Board has a range of skills and experience that is relevant to the successful operation of the Group, as set out in their biographies on pages 36 and 37.

Role	Name	Responsibility
Chairman	Peter Jensen OBE	The Chairman leads the Board and is responsible for its overall effectiveness. Additionally, the Chairman promotes a culture of openness and debate with effective contributions from Non-Executive Directors and ensuring constructive relations between them and the CEO and CFO.
CEO	Manuel Llobet	The CEO's role is the day-to-day running of the Group and includes the development and implementation of strategy, decisions made by the Board and operational management of the Group, supported by the Executive Team.
CFO	Dr. Shaun Furlong	The Chief Financial Officer supports the Chief Executive Officer in developing and implementing strategy, and oversees the day-to-day management of the Group's finances including the development and implementation of financial strategy.
Senior Independent Director	Tunde Otulana	The Senior Independent Director ("SID") provides advice and additional support and experience to the Chairman and can perform an intermediary role to other Directors, if necessary.
Non-Executive Directors	Cheryl MacDiarmid Simon Shen Anthony Parker David Ball	Non-Executive Directors are responsible for bringing an external perspective, sound judgement and objectivity to the Board's deliberations and decision-making, and to support and constructively challenge the Executive Directors using their broad range of experience and expertise.
Company Secretary	Karley Cheesman	The Company Secretary acts as Secretary to the Board and all its Committees and is responsible for advising the Chairman and the Board on all corporate governance matters and ensures good information flows between the Board, its Committees and the Executive Team.

Board and Committee balance and composition

As at 30 June 2024, the Board comprised the Chairman, two Executive Directors and five Non-Executive Directors. Pages 36 and 37 summarise the current membership of the Board and its Committees as at the date of publication of this Annual Report. The Board keeps under review its current composition, which provides a sufficiently wide range of skills and experience to enable it to pursue its strategic goals and to address anticipated issues in the foreseeable future.

Biographies of each Director can be found on pages 36 and 37.

The Board during the year

There were ten standard Board meetings held during the year. Exceptional Board meetings are not referenced. The Directors' attendance record at these meetings is shown in the table on the next page.

Corporate governance report continued

Board independence

The Board has considered the independence of the Non-Executive Directors, and the table below sets out those considered to be independent in character and judgement.

Peter Jensen OBE has served as Chairman for more than nine years. The independent Non-Executive Directors considered the tenure of the Group's Chairman and determined that, given he continues to perform his role effectively, is consistently re-elected by shareholders and in light of the Group's current position and priorities, it was not appropriate to undertake a search for a new Chair of the Board at this point in time. The Board therefore concluded that Peter Jensen OBE should continue in his role as Chairman. This position will be reviewed prior to the 2024 AGM. Please see page 44 for more details.

With the support of the Nomination Committee, the Board will continue to consider any appropriate additions to the Board to further broaden the experience and effectiveness of the Board as the Group continues to grow.

Directors during the year ending 30 June 2024	Role	Independent/not independent	Date of appointment	Attendance at Board meetings	Attendance at Audit and Risk Committee	Attendance at Remuneration Committee	Attendance at Nomination Committee
Peter Jensen OBE	Chairman	Not independent	October 2010	10 (10)	4 (4)	2[3]	2 (2)
Tunde Otulana	Non-Executive Director, Senior Independent Director	Independent	June 2017	8 (10)	0	1 (3)	2 (2)
Manuel Llobet	Chief Executive Officer	Not independent	July 2009	10 (10)	2[3]	1[3]	0
Dr. Shaun Furlong[1]	Chief Financial Officer	Not independent	March 2024	6 (6)	4[3]	0	0
Mary Tavener[2]	Non-Executive Director	Independent	June 2019	5 (6)	3 (3)	2 (2)	0
Cheryl MacDiarmid	Non-Executive Director	Independent	October 2021	10 (10)	4 (4)	3 (3)	2(2)
Anthony Parker	Non-Executive Director	Not independent	December 2022	10 (10)	4 (4)	0	1[3]
Simon Shen	Non-Executive Director	Not independent	December 2022	10 (10)	0	3 (3)	1[3]
David Ball	Non-Executive Director	Independent	June 2024	1 (1)	0	0	0

1. Appointed as CFO in August 2023 and as Executive Director on 8 March 2024. Prior to his appointment, Shaun attended Board meetings by invitation.
2. Resigned on 3 April 2024.
3. Attended by invitation.

Review of Board effectiveness

During the year the Committees have reviewed their Terms of Reference. The Board has chosen to defer the Board effectiveness review this year, in line with initiatives to reduce spend across the Group and due to changes in Board composition, focusing instead on the key critical issues facing the Group.

How the Board operates

The Board had ten scheduled meetings during the year, which were held via a combination of virtual and hybrid meetings. Directors' attendance at scheduled Board and Committee meetings held during the year is set out in the table above. Further meetings outside the Board's and its Committees standard schedule were additionally held to those set out above, which predominantly related to funding and the G306 pivotal Phase III trial.

An outline of the Board's activities covered at those meetings is set out on page 42. Directors are provided with papers in advance of each Board or Committee meeting and meeting packs are accessed from a Board portal.

For each scheduled Board meeting, the papers include updates on trading, financial performance and, in addition, papers for any special business of the meeting.

Non-Executive Directors are encouraged to communicate directly with the Executive Team between Board meetings. Where appropriate, members of the Executive Team are invited to attend Board meetings during the year to present an update on performance and forward focus of their specific areas of responsibility.

The annual calendar includes two meetings at which the Executive Team are present: an annual budget meeting during which the Executive Team present their business unit updates and their proposed budget for the forthcoming financial year, and a strategy meeting.

The Chairman maintains regular contact with the Non-Executive Directors, the Chief Executive Officer, Chief Financial Officer and the Company Secretary outside of meetings as part of his role to provide leadership to the Board and the Group.

Matters reserved for the Board

In order to retain control of key decisions and ensure there is a clear division of responsibilities between the Board and the running of the Group business, the Board has a formal schedule of matters reserved for its decision that is reviewed annually to ensure it remains fit for purpose. This is available at **www.allergytherapeutics.com**.

Corporate governance report continued

Board allocation of agenda time

Agendas for each Board meeting are prepared in advance and are aligned with the Board programme, which is reviewed annually and updated when appropriate. All matters are given due consideration and are reviewed at the appropriate point in the regulatory and financial cycles.

Further meetings outside the Board's and its Committees standard schedule were additionally held to those set out above, which predominantly related to funding and the G306 pivotal Phase III trial.

Activities of the Board during the year:

Strategy, business performance and capital investment

- Considered the funding requirements of the Group
- Sought advice from consultants, the Nominated Adviser and its legal advisers particularly regarding the Company's financial position, the transactions and share suspension
- Approved the Group's corporate strategy
- Considered and approved investment in the Grass, Peanut and Birch clinical programmes
- Approved capital investment in more efficient manufacturing equipment
- Approved the construction costs for the new Energy Centre in Worthing
- Approved a number of material contracts
- Received regular reports from the CEO on business performance (including product stock), delivery of strategic priorities and opportunities
- Received operational performance reviews throughout the year
- Received regular updates regarding the clinical programmes

People and culture

- On the recommendation of the Nomination Committee, approved the appointments of Dr. Shaun Furlong as CFO and David Ball as a new Non-Executive Director. See page 44
- Approved the Group's gender pay gap statement

Finance and risk

- Considered the funding requirements of the Group and received regular reports relating to FDI clearance required for the equity financing
- Reviewed the ongoing funding position of the business
- Received regular reports from the CFO on financial performance across the Group and a report on investor relations
- Considered the 2024/25 budget
- Reviewed and approved the preliminary and interim results announcements
- Reviewed and approved the pre-close trading statements
- Approved the fees of the external auditor on advice of the Audit and Risk Committee
- Approved the amendments to the £40.75m loan facility agreement
- Reviewed and approved the 2023 Annual Report and Accounts
- Received regular reports on the German rebate negotiation position

Governance, compliance and regulatory

- Approved the Group's Modern Slavery Statement
- Approved the Group's annual QCA compliance statement
- Reviewed and approved the Terms of Reference of the Board Committees
- Agreed the 2024/25 Board and Board Committee programmes and calendar
- Reviewed the principal risks to the Group
- Received regular governance reports

Section 172 statement

The Board is required to take into account wider stakeholder and social responsibilities and their implications for long-term success. When taking Board decisions, the Directors give careful consideration to the likely impact of any recommended proposal, to ensure that the decision aligns with Group strategy and is likely to promote the success of the business, whilst giving consideration to the potential impact of any decision on the Group's stakeholders.

The precise matters considered by the Directors will depend on the nature of the proposal, but will often include factors such as:

- the likely long-term consequences of a decision;
- the interests of the Company's employees;
- the need to foster relationships with our suppliers;
- operational impacts on the community and environment;
- maintaining the Group's reputation for high standards of business conduct; and
- treating our shareholders fairly.

To allow the Board to consider these matters effectively, Directors receive regular updates on stakeholder views from the Executive Directors and the Executive Team.

Whilst it is not always possible to meet the preferences of all stakeholders, which may diverge, the Board aims to ensure there is an appropriate balance.

See more on pages 9 to 22

Standing agenda items, such as reports from the CEO and CFO, Health and Safety, Pharmacovigilance, are presented at every meeting.

Corporate governance report continued

How the Board engages with stakeholders

Shareholder engagement

The Board is committed to maintaining open channels of communication with all shareholders, whether institutional or private. It is important that shareholders understand the Group's strategy and objectives, and for the Group to receive shareholders' feedback and consider the issues and questions raised.

For our private shareholders, there is an opportunity to meet the Directors at our Annual General Meeting and further information on the Group can be found below or on our website.

Information on how the Group communicates with its shareholders, investors and analysts can be found in 'Engagement with stakeholders' on pages 12 to 14.

Both the Executive Directors and the Chairman meet shareholders and prospective shareholders, both institutional and private. Non-Executive Directors are available to meet shareholders if they wish to raise issues without the Executive Directors present. Simon Shen and Anthony Parker, both Non-Executive Directors on the Board, are nominated Directors of the Company's two largest shareholders (SkyGem Acquisition and Southern Fox). These shareholders hold approx. 93% of the Company's shares.

The Board receives regular updates on the views of our shareholders and, more recently, analysts through briefings and in market reports circulated between Board meetings, when available and as permitted, which may include:

- share price performance monitoring;
- review of shareholder performance and sector analysis;
- composition of the shareholder register;
- peer group comparison; and
- professional and external adviser feedback.

Corporate website

Our corporate website **www.allergytherapeutics.com** acts as a good medium through which results and other news releases are published, including key financial calendar information, details of live webcasting services for key presentations and the source of past key presentations and announcements.

Annual General Meeting

The AGM allows the Board to update the shareholders on the Group's progress and provides an opportunity for shareholders to pose questions to Directors. Shareholders are encouraged to vote on the resolutions put to the meeting, either in person or by submitting a proxy card. The results of the votes are published on our website after the meeting.

A Notice of Meeting will be issued to shareholders at least 21 days before the meeting and separate resolutions will be proposed on each issue. In accordance with our Articles of Association, at least one-third of the Board will retire from office and offer themselves for re-election by shareholders on a rotational basis.

Should shareholders have any concerns that they are unable to successfully resolve following communication with the Chairman, Chief Executive Officer or Chief Financial Officer, they may raise them through the Senior Independent Director.

Other stakeholders

The Board is mindful of how the Group's business activities impact on both the environment and society and is conscious of the need to make a positive contribution to the world.

The Group acknowledges its responsibilities to all its stakeholders (including employees, patients and healthcare professionals). Much of the day-to-day decision-making and stakeholder engagement in the Group is carried out at a business level. Further details are set out on pages 12 to 14. The Board receives details on this engagement through the CEO, CFO and Company Secretary and the reports it receives from the Executive Team in the Board and Committee papers.

All stakeholders are encouraged to relay feedback about the Group to the Board, via the 'Contact us' section of the website, available at **https://www.allergytherapeutics.com/get-in-touch/**.

Employees are encouraged to relay any feedback via the Company Secretary or via the Senior Independent Director.

Nomination Committee report

Peter Jensen OBE
Chair of the Nomination Committee
5 November 2024

Board composition and skills

The Board considers that the current membership of two Executive Directors and six Non-Executive Directors provides the right blend of commercial and governance experience challenge and the diverse range of skills and backgrounds of the Directors prevents any undue individual or collective influence over the Board's decision-making. In the review on page 5, I set out the changes in the Board composition throughout the financial year.

Board composition and succession planning

The Committee considers Board composition and succession planning for both Executive and Non-Executive Directors and the Executive Team. When considering Non-Executive Director succession planning, the Committee ensures that the Board and its Committees continue to have the right mix of skills and experience to be able to deliver the Group's strategy. A summary of the Directors' core skills and experience can be found on pages 36 and 37. The Committee continues to consider these matters at meetings and will make any recommendations to the Board where appropriate.

Chairman's tenure

I have served as Chairman for more than nine years. The independent Non-Executive Directors considered my tenure as the Group's Chairman. Further information regarding their considerations are set out in the 'Board independence' section of the corporate governance report on page 41. The Board concluded that I should continue in my role as Chairman. This position will be reviewed prior to the 2024 AGM.

Diversity and inclusion

Diversity and inclusion is important to the Group and the Board recognises the benefits that diversity of experience and perspective can bring to the business. The Board is also committed to encouraging diversity, including gender, geography, background and age, when searching for candidates for Board appointments. In its normal course of succession management, the Board will continue to strengthen and diversify its composition with the addition of new independent Non-Executive Directors that will enable it to become more reflective of the diversity across our business, particularly in terms of gender.

Directors' induction, training and development

Upon appointment, all Directors receive an induction programme tailored to their role. The process includes meetings with all Directors, the Company Secretary and other members of the Executive Team. A visit to our main manufacturing site in Worthing is also incorporated into the programme to understand business management and develop greater commercial awareness of the Group; these visits continue throughout the year. The Company Secretary updates the Board on regulatory and corporate governance matters and periodic briefings are arranged with external advisers, such as our Nominated Adviser (Cavendish Capital Markets Limited), to provide a better understanding of the broader market. Directors also receive regular business updates from the CEO and CFO as well as other members of the Executive Team. Directors may also take independent advice at the Company's expense if they feel this is appropriate.

Role of the Committee

The Nomination Committee evaluates and makes recommendations regarding Board and Committee composition and succession planning.

Who?

The members of the Committee during the year comprised Peter Jensen OBE as Chair, Tunde Otulana, Cheryl MacDiarmid and Anthony Parker. Anthony Parker joined the Committee in June 2024.

What?

Responsibilities and activities:

- evaluating the balance of skills, knowledge, experience and diversity of the Board and its Committees, and making recommendations to the Board on any desired changes;
- overseeing the succession planning for the Board and the Executive Team, including the identification and assessment of potential candidates and making recommendations to the Board;
- leading the process for Board appointments by identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- keeping under review the leadership needs of the Group in respect of the CEO, CFO and other members of the Executive Team; and
- reviewing the independence of Directors.

Peter Jensen OBE
Chair of the Nomination Committee
5 November 2024

Audit and Risk Committee report

David Ball
Chair of the Audit and Risk Committee
5 November 2024

The Committee

The Committee is chaired by David Ball, who was appointed as independent Non-Executive Director to the Board in June 2024. The Committee was previously chaired by Mary Tavener. Mary Tavener resigned from the Board in April 2024. Peter Jensen OBE acted as interim Chair of the Committee in the period between Mary Tavener's resignation and David Ball's appointment. Other members of the Committee were Peter Jensen OBE (until June 2024), Cheryl MacDiarmid and Anthony Parker. The qualifications of the Committee members are detailed on pages 36 and 37. The members between them have a range of relevant business skills and knowledge, including financial expertise, that allow them to be able to robustly challenge management and make clear and considered decisions.

The Committee's meetings were also attended (by invitation) by the CEO, CFO, Company Secretary and Group Financial Controller, together with senior representatives of Mazars LLP (the internal auditor) and BDO LLP (the external auditor) as required.

The Committee had four scheduled meetings during the year to discharge its responsibilities and met further as required. Attendance at these meetings is shown in the table on page 41. The Committee also met privately during the year with the external auditors.

The responsibilities set out on this page form the basis of the Committee's rolling annual work plan which is adjusted throughout the year as necessary. The Committee is able to seek any information it requires from management or external parties to investigate issues or concerns, as it deems appropriate. The Committee can also obtain independent professional advice at the Group's expense.

The Committee keeps the Board informed of its activities and recommendations, and the Chair provides an update to the Board at each meeting.

A copy of the Committee's Terms of Reference, which were updated during the year, can be found at **www.allergytherapeutics.com**.

Further details of the matters considered or put into effect at the Committee meetings were as follows:

- acceptance of the external auditor's full-year report for the year ended 30 June 2023, including their review of the Board's assessment of going concern and the Board's conclusion that the going concern basis is the appropriate basis for the preparation of the Company's accounts;
- review of the half-year financial results;
- review and approval of the external auditor's plan for the 2024 year end;
- review and approval of the external auditor's fees for the 2024 audit;
- plans to improve the risk management process across the business and progress internal audit findings from prior years;
- various matters in Germany including rebates and German pension valuation;
- Group insurance renewal;
- the hedging policy and its temporary suspension;
- matters related to IT security, capital investment projects in production areas as well as the Energy Centre; and
- overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks.

Role of the Committee

The primary role of the Audit and Risk Committee is to assist the Board in providing effective governance over the Group. This involves ensuring the integrity of our financial reporting and audit process, and overseeing and monitoring the effectiveness of our internal control systems and management of risks.

Who?

During the year, the members of the Committee comprised Mary Tavener (Chair until her resignation in April 2024), David Ball, Peter Jensen OBE (until June 2024), Cheryl MacDiarmid and Anthony Parker. Following Mary's resignation in April 2024, David Ball was appointed as a Chair of the Committee in June 2024 in parallel to his appointment to the Board. Peter Jensen OBE acted as interim Chair of the Committee in the period between Mary Tavener's resignation and David Ball's appointment.

What?

The roles and responsibilities of the Audit and Risk Committee, as set out in its Terms of Reference, are reviewed annually, taking into account relevant regulatory changes and recommended best practice. The key responsibilities of the Committee include, but are not limited to:

- evaluating the effectiveness of the system of risk management and internal controls;
- reviewing the integrity of the financial statements, including Annual Reports, half-year reports and going concern assessments;
- reviewing and discussing with management the appropriateness of judgements involving the application of accounting principles and disclosures;
- reviewing the Group's risk register;
- reviewing the effectiveness of whistleblowing procedures;
- overseeing compliance with applicable legal and regulatory requirements, including reviewing ethics and compliance risks;
- monitoring the qualifications, expertise, resources and independence of the internal audit function and the external auditor;
- assessing the internal and external auditors' performance and effectiveness each year and approving related remuneration for the external auditor; and
- recommending the appointment or re-appointment of the external auditor to the Board so that the Board may put the recommendation to the shareholders at the AGM.

Audit and Risk Committee report continued

Risk management and internal controls

The Committee supports the Board in fulfilling its responsibilities in relation to risk management and internal controls by reviewing reports on risks, controls and assurance. The Committee assesses the risk management framework and relies on internal audit reports to be able to assess the effectiveness of the procedures for internal control over financial reporting, compliance and operational matters.

During the year, the Committee reviewed management progress surrounding the integrated framework for risk management which identifies and manages risk across the business. The Group's risk register continues to be reviewed and the Committee updates the Board on risks to compliance with internal controls across the business and any matters which may require improvement. Work is continuing to improve risk reporting at all levels of the business.

Financial reporting

During the year, the Committee received comprehensive reports from management and the external auditor on financial reporting, accounting policies and judgements and reporting matters.

The Committee reviewed the Group's half-year report and Annual Report with management and the external auditor.

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.

Audit and Risk Committee report continued

Internal audit

Internal audit remit

Mazars LLP ('Mazars') was previously appointed in 2022 to act as Allergy Therapeutics' internal auditor and remains so during the period.
The primary role of the internal audit function is to safeguard value by protecting the business's assets, reputation and sustainability. The Committee agrees the scope of the internal auditor and approves its rolling three-year plan.

Annual internal audit plan

During the year, the Committee continued to concentrate its attention on the requirements for the going concern and funding of the Group. As such, the internal audit plan was largely paused for this year. Whilst this was not ideal it was necessary for the Committee to devote the correct attention to the financial position of the Group. Whilst it was anticipated in the previous year that internal audit would recommence with the continued challenges as well as various personnel changes throughout the Board, Committee and Company, it was not considered an appropriate time to restart the internal audit plan.

The Committee reviews the work of the internal auditor, the audit plan, any matters identified as a result of internal audits and whether recommendations are addressed by management in a timely and appropriate way. The Committee will review the internal auditor and their planned work in the forthcoming year. Regular updates relating to the progress of internal audit findings from prior years were provided to the Committee throughout the year.

The internal audit partner has direct access to the Audit and Risk Committee Chair should they wish to raise any concerns outside formal Committee meetings. The Committee meets with the internal auditor at least once per year without management.

Speak Up policy

The Group adopted its Speak Up policy in March 2022. The policy has been published on the Groups' DiscoverLearn system with accompanying training. Concerns can be raised via a third-party provider or internally. We encourage anyone who has concerns to Speak Up. The process is managed by the Company Secretary in conjunction with Human Resources, unless it is not appropriate to do so. The Committee receives regularly updates of the outcomes of investigations conducted in accordance with the policy.

External auditor

Annual audit plan

In May, BDO submitted its audit strategy, scope and plan for the 2024 audit to the Committee, highlighting any areas which would receive special consideration. The Committee considered the annual plan, which included assessing whether the materiality levels and proposed resources were appropriate.

The Committee met the external auditors without management being present in order to encourage open and transparent feedback from both parties.

This is the fourth year that BDO have been auditors to the Group.

Non-audit services and fees

Non-audit services are normally limited to assignments that are closely related to the annual audit or where the work is of such a nature that a detailed understanding of the Group is necessary.

The Group has adopted a policy to ensure that the provision of non-audit services by the external auditor does not compromise its independence or objectivity. The policy requires the Committee to pre-approve any non-audit work with a cost exceeding £10,000.

During the year the only non-audit services approved by the Committee and provided by the external auditors were a review of the Group's interim report and services associated with the Group's response to an enquiry received from the Financial Reporting Council.

The total fees charged by the external auditor in the year are shown on page 81.

David Ball

Chair of the Audit and Risk Committee

5 November 2024

Directors' remuneration report

Cheryl MacDiarmid
Chair of the Remuneration Committee
5 November 2024

The Remuneration Committee

Through the majority of the year the Committee was chaired by Mary Tavener. When Mary resigned from the Board in April 2024, Cheryl MacDiarmid became Chair of the Committee. Other members of the Committee were Tunde Otulana (until June 2024), Simon Shen and Peter Jensen OBE, who joined the Committee in June 2024.

The Committee's role is to ensure that our remuneration policy is appropriate for a business of the size and complexity of Allergy Therapeutics, reflecting the need to retain and attract the talent we need for our future success. In FY22 the Committee undertook a comprehensive review of the remuneration of the Company's Executive Director and Executive Team with the assistance of h2glenfern Remuneration Advisory and proposed some changes to be made to the remuneration policy. However, as a result of the challenges encountered by the Group in FY22, with the trading of the Group's shares suspended from 3 January 2023 to 19 June 2023 and while funding was being arranged, it was not possible to implement the changes proposed. In FY23 the Committee continued to bear in mind to the review undertaken in the previous financial year. Considering the similar circumstances in FY24, it was again largely not possible to implement the changes proposed in the FY22 review. However, the Committee did review key items that it considered could not be deferred including pay increases for certain members of the Executive Team whose roles had changed through the year.

Key decisions were taken to not pay annual bonuses in FY23/24. The Committee recognised that this would be disappointing for employees but considered it was not appropriate to pay bonuses taking into account the events of the year. The Committee intend to reinstate bonus schemes when possible. Shortly before year end, the Committee implemented a new Long Term Incentive Plan for the Executive Directors and key personnel.

Remuneration for year ending 30 June 2024

Annual bonus

Taking into account the events of the year, no bonuses were paid for this year.

Additional remuneration

Whilst the Committee considered annual bonus payments were not appropriate for this year; the Committee did deliberate how best to incentivise the CEO and CFO after two years without bonus payments or pay increases. The Committee considered it critical to link a payment to the financial recovery of the business. To that end two additional remuneration elements were agreed. Firstly, a payment made to the CEO, as compensation for the correction of tax consequences associated with his relocation to Spain. The second element, for the CEO and CFO, was additional remuneration linked to the EBITDA pre-R&D recovery achieving breakeven. An appropriate proportion was accrued in FY24 and disclosed as remuneration for the year, in line with accounting requirements.

LTIPs

The 2013 LTIP came to an end in 2023. Following the open offer any outstanding options not yet exercised would have lapsed if not exercised within the time frame set under the 2013 LTIP rules.

In June 2024, the Committee adopted the new LTIP ('2023 LTIP') and granted options to encourage long-term value creation for the Company's shareholders, and so that the individuals identified as key people to lead the business into the future are appropriately incentivised in a manner that aligns with the interests of the Group's stakeholders.

Vesting is conditional on the satisfaction of performance criteria over a three-year period. The vesting of any share options is subject to a share price threshold. So long as this share price threshold is exceeded, vesting of 70%. of the award is subject to EBITDA performance and vesting of 30%. of the award is subject to regulatory performance targets.

Details of awards made to the Executive Directors are set out on page 53.

CFO

Nick Wykeman was an Executive Director and CFO until his resignation on 30 November 2022. Subsequently, Martin Hopcroft served as interim CFO until August 2023. Dr. Shaun Furlong was appointed CFO with effect from 11 August 2023. On 8 March 2024, Shaun was appointed as an Executive Director.

Cheryl MacDiarmid

Chair of the Remuneration Committee

5 November 2024

Directors' remuneration report continued

Role of the Committee

The Remuneration Committee sets, reviews and recommends the Group's overall remuneration policy and strategy and monitors their implementation.

Who?

During the year, the Remuneration Committee comprised Mary Tavener, Tunde Otulana (until June 2024), Cheryl MacDiarmid, Simon Shen and Peter Jensen OBE (beginning in June 2024). Mary Tavener was Chair until she resigned from the Board in April 2024. She was succeeded by Cheryl MacDiarmid who is the current Chair of the Committee.

What?

Responsibilities and activities:

- determining and recommending to the Board the remuneration policy and monitoring its ongoing effectiveness;
- determining specific targets and objectives for any performance-related bonus or pay schemes for Executive Directors;
- determining targets for LTIP awards to Executive Directors and members of the Executive Team;
- reviewing and approving any performance-related bonus schemes for staff;
- considering performance criteria for payment of bonuses; and
- considering vesting of LTIPs.

The remuneration policy

The key objectives of the Group's remuneration policy are to:

- align executive and shareholder interests for short, mid and long-term growth of shareholder value;
- underpin value creation, aligned to purpose, strategy and effective pay-for-performance;
- support retention, motivation and recruitment of talented people; and
- support and reinforce the desired Company culture, promoting right behaviours and decisions within risk parameters set by the Board.

The Committee aims to achieve an appropriate balance between fixed and variable remuneration, and between variable remuneration based on short-term and longer-term performance. Fixed remuneration includes base salary, benefits and pension. Variable remuneration includes annual bonus and awards made under the Long Term Incentive Plan ("LTIP").

The Committee encourages executive long-term investment in the business, establishing achievable and transparent performance/over-performance targets linked to strategic milestones, KPIs and value drivers. Importantly, the Committee is fully committed to equity and differentiation for performance. Decisions are externally benchmarked where possible and the Committee strives for open communication in a simple and easy-to-understand manner.

Elements of remuneration

	Purpose and link to strategy	Operation	Maximum opportunity	Performance metric
Base salary	To provide an appropriately competitive base salary.	Base salary is reviewed annually as at 1 October, with reference to: - each Executive Director's performance and contribution during the year; - the scope of the Executive Director's responsibilities; and - other similar companies.	There is no prescribed maximum annual base salary or salary increase. The Committee is guided by the general increase for the broader employee population but has discretion to decide to award a lower or higher increase to Executive Directors to recognise, for example, an increase in the scale, scope or responsibility of the role.	The Committee considers individual and Group performance when setting base salary, along with external benchmarks.
Benefits	To be appropriately competitive with benefits offered at comparator companies.	Benefits are in line with those offered to other senior management employees and may include private healthcare, life insurance, travel insurance and a car allowance.	The level of benefits is not pre-determined but is in line with other senior managers.	Not applicable.
Pension	To be appropriately competitive with those offered at comparator companies.	The UK company operates a defined contribution personal pension scheme and currently makes pension contributions in respect of the Executive Directors.	The Company may contribute up to 15% of base salary (in the case of the CEO) and up to 10% of base salary (in the case of the CFO).	Not applicable.

Directors' remuneration report continued

Elements of remuneration continued

	Purpose and link to strategy	Operation	Maximum opportunity	Performance metric
Bonus	To incentivise and reward annual performance. Performance measures and targets are set each year to reinforce the strategic business priorities for the year.	The annual bonus arrangements are reviewed annually at the start of the financial year and agreed by the Committee in September. Performance against targets and award levels are determined shortly after the year end. The annual bonus is paid out in cash.	The maximum bonus opportunity for the CEO is 100% of annual salary and for the CFO is 50%.	Executives' performance is measured relative to challenging one-year financial targets and other performance objectives.
Long Term Incentive Plan	To incentivise and reward long-term outperformance and help retain Executive Directors over the longer term.	Executive Directors are eligible to receive awards of shares under the Long Term Incentive Plan, at the discretion of the Committee. Awards normally vest after three years, subject to continued employment and three-year performance conditions. 50% of the Executive Directors' award is subject to a post-vesting holding period. In assessing the outcome of the performance conditions, the Committee satisfies itself that the figures are a genuine reflection of financial performance. LTIPs are subject to malus and clawback provisions. The LTIP scheme includes a dilution limit of 10% over ten years.	The Remuneration Committee has the right to cap a maximum award should the award be deemed excessive in light of the Group's performance. The normal maximum award for the CEO is 150% of salary and the normal maximum for the CFO is 100% of salary. The maximum award which may be made in exceptional circumstances, such as recruitment, is 200% of salary.	LTIP awards vest after a performance period of approximately three years. The vesting of the award is subject to the Group's performance over a three-year performance period. The performance measures and weightings are reviewed by the Committee annually and the Committee has the discretion to make changes to the measures or weightings for future awards to ensure that they remain relevant to the Group's strategy and are suitably stretching. The Company expects to take a similar approach to setting performance targets in the future.
Shareholding guideline	Encourages Executive Directors to build a meaningful shareholding to further align interests with shareholders.	Each Executive Director is expected to build up and maintain a shareholding in the Company equivalent to 100% of base salary.	Not applicable.	Not applicable.
Non-Executive Directors	Provide fees appropriate to time commitments and responsibilities of each role.	Non-Executive Directors are paid a base fee in cash and additional fees for chairing the Audit and Risk and Remuneration Committees. Fees are reviewed periodically. In addition, reasonable business expenses (together with any tax thereon) may be reimbursed.	There is no prescribed maximum annual fee or fee increase. The Board is guided by the general increase for the broader employee population and takes into account relevant benchmark and market movements.	Not applicable.

Directors' remuneration report continued

Notes to the policy table

Annual bonus scheme

Executive Directors may earn bonuses depending on the Group's financial performance and performance against individual targets designed to deliver strategic goals. The principal target currently applied is EBITDA before research and development expenditure. The Committee sets targets it believes to be appropriately stretching, but achievable.

Long-term incentives

The performance conditions for the LTIP currently comprise measures of EBITDA before research and development expenditure, share price performance and strategic milestone delivery.

The Committee believes that these measures are currently the most appropriate measures of long-term success for the Group as long-term relative performance provides an appropriately objective and relevant measure of the Group's success which is strongly aligned with shareholders' interests.

Malus and clawback

Awards granted under the long-term incentive arrangements are subject to malus and clawback until the end of the respective holding periods. Reasons for malus and clawback being applied would include gross misconduct of a Director or a material misstatement in the audited accounts of the Group. The application of any malus or clawback is at the discretion of the Remuneration Committee.

Remuneration of employees below the Board

No element of remuneration is operated solely for Executive Directors. Employees below the Board receive base salary, benefits and annual bonus, and designated key personnel are invited to participate in the LTIP.

Executive Directors' service contracts and payments for loss of office

Our Executive Directors have rolling service contracts with an indefinite term, but a fixed period of notice of termination. The services of the CEO may be terminated on a maximum of 12 months' notice by the Company or the individual; the CFO may be terminated on a maximum of six months' notice. Our approach to remuneration in each of the circumstances in which an Executive Director may leave is determined by the Remuneration Committee in accordance with the rules of any applicable scheme.

Executive Directors	Date of contract	Notice period
Manuel Llobet	11 June 2009	12 months
Dr. Shaun Furlong	11 August 2023	6 months

Non-Executive Directors' service contracts

The Non-Executive Directors do not have service contracts but instead have letters of appointment which contain a three-month notice period. The Chairman's letter of appointment contains a six-month notice period. The letters of appointment may be viewed at the Company's registered office.

Non-Executive Directors	Date of contract	Notice period
Peter Jensen OBE	1 October 2010	6 months
Tunde Otulana	6 June 2017	3 months
Cheryl MacDiarmid	27 October 2021	3 months
Mary Tavener (resigned 3 April 2024)		
Anthony Parker	6 December 2022	3 months
Zheqing (Simon) Shen	6 December 2022	3 months
David Ball	26 June 2024	3 months

Non-Executive Director fees

The Chairman and Non-Executive Director fees are reviewed periodically to ensure that the business can recruit and retain appropriately qualified Non-Executive Directors. The fees are benchmarked with reference to other AIM-listed companies and other UK companies of a similar size and nature and the time that Non-Executive Directors are required to devote to the role.

Consideration of new Executive Directors or members of the Executive Team

When recruiting or promoting any members of the Executive Team, which includes the Executive Director, we seek to apply consistent policies on fixed and variable remuneration components in line with the remuneration policy set out above. This helps to ensure that any new Executive Director or Executive Team member is on the same remuneration footing as existing Executive Directors or Executive Team members respectively, while still taking into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Advisers to the Remuneration Committee

During the prior year, h2glenfern Remuneration Advisory advised the Committee on certain aspects of the executive and Board remuneration. h2glenfern Remuneration Advisory is a member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. The Committee considers the advice that it receives from h2glenfern to be independent.

Implementation of the remuneration policy in the following financial year

Forward looking, FY25 will retain similar remuneration philosophy and policy, with an intent to align remuneration to the renewing strength of the business. As such, FY25 is anticipated to include modest salary increases for employees, a bonus payment for employees based on performance overachievement and a continuation of stretching and aspirational long-term incentive programs. The Non-Executive Director fees will be re-considered.

Annual report on Directors' remuneration

This section of the Directors' remuneration report explains how the remuneration policy has been implemented during the year.

Directors' remuneration report continued

Directors' remuneration

The tables below set out the single figure of total remuneration in GBP for the Executive Directors and Non-Executive Directors for 2024 and 2023:

	Fixed pay			Performance related			Total		
Single figure of remuneration 2024	**Salary/ fees[9]**	**Taxable benefits[10]**	**Pension[11]**	**Bonus**	**Additional remuneration**	**LTIPs vested in year[12]**	**Total fixed**	**Total performance related**	**Total**
Manuel Llobet	**327,258**	**24,409**	**48,362**	**—**	**84,477[13]**	**—**	**400,029**	**84,477**	**484,506**
Dr. Shaun Furlong[1]	**62,067**	**3,657**	**6,721**	**—**	**20,000[14]**	**—**	**72,445**	**20,000**	**92,445**
Peter Jensen OBE	**94,000**	**—**	**—**	**—**	**—**	**—**	**94,000**	**—**	**94,000**
Tunde Otulana	**44,500**	**—**	**—**	**—**	**—**	**—**	**44,500**	**—**	**44,500**
Mary Tavener[2]	**40,833**	**—**	**—**	**—**	**—**	**—**	**40,833**	**—**	**40,833**
Zheqing Shen	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Anthony Parker	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Cheryl MacDiarmid[3]	**41,125**	**—**	**—**	**—**	**—**	**—**	**41,125**	**—**	**41,125**
David Ball[4]	**1,854**	**—**	**—**	**—**	**—**	**—**	**1,854**	**—**	**1,854**
Total	**611,637**	**28,066**	**55,083**	**—**	**104,477**	**—**	**694,786**	**104,477**	**799,263**

	Fixed pay			Performance related		Total		
Single figure of remuneration 2023	Salary/ fees[9]	Taxable benefits[10]	Pension[11]	Bonus	LTIPs vested in year[12]	Total fixed	Total performance related	Total
Manuel Llobet	341,823	22,175	47,984	—	—	411,982	—	411,982
Nick Wykeman[5]	93,745	4,686	9,289	—	—	107,720	—	107,720
Peter Jensen OBE	94,000	—	—	—	—	94,000	—	94,000
Tunde Otulana	44,500	—	—	—	—	44,500	—	44,500
Scott Leinenweber[6]	—	—	—	—	—	—	—	—
Mary Tavener	49,000	—	—	—	—	49,000	—	49,000
Zheqing Shen[7]	—	—	—	—	—	—	—	—
Anthony Parker[8]	—	—	—	—	—	—	—	—
Cheryl MacDiarmid	40,000	—	—	—	—	40,000	—	40,000
Total	663,068	26,861	57,273	—	—	747,202	—	747,202

1. Dr. Shaun Furlong was appointed CFO on 11 August 2023 and subsequently appointed as an Executive Director on 8 March 2024, amounts disclosed are in respect of the period from appointment as an Executive Director only.
2. Mary Tavener resigned as a Director on 3 April 2024.
3. Cheryl MacDiarmid was appointed as Chair of the Remuneration Committee in April 2024.
4. David Ball was appointed as a Director on 26 June 2024.
5. Nick Wykeman left on 30 November 2022.
6. Scott Leinenweber resigned as a Director on 28 December 2022.
7. Zheqing Shen was appointed as a Director on 6 December 2022.
8. Anthony Parker was appointed as a Director on 6 December 2022.
9. Retranslation of Euro amounts.
10. Typical benefits include car allowance and medical insurance.
11. Pension contributions are in respect of defined contribution schemes.
12. See page 50 for details of performance metrics.
13. Additional remuneration for Manuel Llobet includes a payment made as compensation for the correction of tax consequences associated with his relocation to Spain and an accrual for an appropriate proportion of additional remuneration linked to the EBITDA pre-R&D recovery achieving breakeven disclosed as remuneration for the year, in line with accounting requirements.
14. Additional remuneration for Dr. Shaun Furlong is an accrual for an appropriate proportion of additional remuneration linked to the EBITDA pre-R&D recovery achieving breakeven disclosed as remuneration for the year, in line with accounting requirements.

Directors' remuneration report continued

Executive Director remuneration

Salaries

From 1 October 2023, the annual salary of the CEO was £340,224. On 8 March 2024, Shaun Furlong was appointed as an Executive Director with an annual salary of £200,000.

Annual bonuses 2023/24

The Executive Directors are usually eligible to earn an annual bonus of up to 100% of salary for the CEO and 50% for the CFO. This historically has been based on the achievement of stretching financial targets for the Group.

The personal objectives were set on an individual basis and linked to the corporate, financial, strategic and other non-financial objectives of the Group.

Taking into account the events of the year, no bonuses were paid for this year.

Long-term incentives granted during the year

Conditional share awards were granted to Manuel Llobet and Dr. Shaun Furlong during the year on 26 June 2024.

Name	Date of grant	Shares awarded	Share price at date of grant	Face value of award[1]	% vest at threshold performance	End of performance period
Manuel Llobet	26 June 2024	9,650,663	5.24p	£505,695	100	30 June 2026
Dr. Shaun Furlong	26 June 2024	3,809,524	5.24p	£199,619	100	30 June 2026

1. Face value of award has been calculated using the price at the date of grant of 5.2 pence.

These awards are eligible to vest in 2026 subject to the achievement of the following performance conditions:

- the vesting of any share options is subject to a share price threshold;
- so long as this share price threshold is exceeded, vesting of 70% of the award is subject to EBITDA performance and vesting of 30% of the award is subject to regulatory performance targets; and
- 50% of awards are subject to a two-year holding period following vesting.

Long-term incentives vested during the year

No conditional share awards vested during the year.

Directors' remuneration report continued

Executive Director remuneration continued

LTIPs and share options for Executive Directors who held office during the financial year

	Share options/ LTIPs held at 1 July 2023	LTIPs awarded in the year	Share options/LTIPs lapsed/vested in the year	Options exercised in the year	Share options/ LTIPs held at 30 June 2024	Subscription price in £[1]	Exercise date from	Expiry date[3]
Manuel Llobet	2,700,000	9,650,663	(2,700,000)[2]		9,650,663	0		
	422,500			(422,500)[4]	—	0	27-Mar-2020	26-Mar-2030
	450,000			(450,000)[4]	—	0	30-Mar-2021	29-Mar-2031
	803,700			(803,700)[4]	—	0	22-Nov-2021	21-Nov-2031
Dr. Shaun Furlong	—	3,809,524	—		3,809,524	0		
Total	**4,376,200**	**13,460,187**	**(2,700,000)**	**(1,676,200)**	**13,460,187**			

1. Exercise price is 0.1 pence per share.
2. Lapsed October 2023.
3. Following the change of control, the expiry date for these options was revised to 16 November 2023. Manuel Llobet exercised his options on 16 November 2023, no shares were sold as a result of the exercise and all shares were allotted to Manuel's name on the register of members of the Company. Following the exercise of these options, Manuel's holding of Ordinary Shares in the Company increased to 5,001,200.
4. Manuel Llobet had a gain on exercising options during the year of £29,920.

At 30 June 2024, the London Stock Exchange mid-market value of shares was 5.24 pence per share. The range of mid-market values during the period from 1 July 2023 to 30 June 2024 was 1.05 pence to 6.00 pence per share.

Non-Executive Director fees

The remuneration of the Non-Executive Directors is considered by the Chairman, with regard to market comparators, and recommended to the Board as a whole. It was agreed that the Non-Executive Director fees are as set out below:

	2024	2023
Basic fee[1]	**£40,000**	£40,000
Audit and Risk Committee Chair	**£4,500**	£4,500
Remuneration Committee Chair	**£4,500**	£4,500
Senior Independent Non-Executive Director	**£4,500**	£4,500
Chairman	**£94,000**	£94,000

1. Non-Executive Directors, Anthony Parker and Simon Shen, have elected not to be paid a fee.

Directors' remuneration report continued

Directors' interest in shares

The Directors that held office during the financial year had the following interests in the Ordinary Shares of the Company:

	At 30 June 2024		At 1 July 2023	
Name	**Ordinary Shares**	**Options and LTIPs**	Ordinary Shares	Options and LTIPs
Manuel Llobet	**5,001,200**	**9,650,663**[1]	3,325,000	4,376,200
Dr. Shaun Furlong	**1,500**	**3,809,524**	1,500	—
Peter Jensen OBE	**2,100,000**	**—**	300,000	—
Tunde Otulana	**50,000**	**—**	50,000	—
Mary Tavener[2]	**—**	**—**	—	—
Cheryl MacDiarmid	**—**	**—**	—	—
Simon Shen[3]	**90,000**	**—**	90,000	—
Anthony Parker	**1,925,000**	**—**	275,000	—
David Ball[4]	**—**	**—**	—	—

1. 2,700,000 LTIPs lapsed in October 2023. 1,676,200 LTIPs were exercised in November 2023. 9,650,663 LTIPs were awarded on June 2024.
2. Resigned 3 April 2024.
3. Simon Shen is the ultimate beneficial owner of SkyGem Acquisition Limited (ZQ Capital). As at 30 June 2024, SkyGem Acquisition Limited (ZQ Capital) held 3,098,231,533 Ordinary Shares in the Company. Please see 'substantial shareholdings' set out on page 57 for further information.
4. Appointed 26 June 2024.

Shareholder voting

The table below shows the results of the advisory vote on the 2023 Directors' remuneration report at the 2023 Annual General Meeting.

	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Approval of remuneration report	4,440,353,568	99.68%	14,174,087	0.32%	4,454,529,660	2,005

This Directors' remuneration report has been approved for issue by the Board of Directors on 5 November 2024.

Cheryl MacDiarmid

Chair of the Remuneration Committee

5 November 2024

Directors' report

The Directors present their Annual Report and the audited consolidated financial statements for the 12 months ended 30 June 2024. The financial statements are for Allergy Therapeutics plc (the 'Company') and its subsidiary companies (together, the 'Group').

Strategic report

Certain disclosure requirements of the Directors' report are included within the strategic report. The Group's 2024 strategic report, which includes a review of the Group's business during the financial year, the Group's position at year end and a description of the principal risks and uncertainties facing the Group, comprises the following sections of the Annual Report:

Directors

The Directors of the Company who held office during the year and up to the date of signing the financial statements were as follows:

Chairman

Peter Jensen OBE

Executive Directors

Manuel Llobet

Dr. Shaun Furlong (appointed on 8 March 2024)

Non-Executive Directors

Tunde Otulana

Cheryl MacDiarmid

Simon Shen

Anthony Parker

Mary Tavener (resigned 3 April 2024)

David Ball (appointed 26 June 2024)

Biographies of each Director holding office at the date of signing the financial statements can be found on pages 36 and 37 and details of each Director's interests in the Company's shares are set out on page 55.

The powers of the Directors are determined by UK legislation and the Company's Articles of Association together with any specific authorities that shareholders may approve from time to time.

The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association and UK legislation.

Compensation for loss of office

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company's shares scheme may cause share options and awards to vest on a takeover.

Directors' indemnities and insurance

In accordance with the Company's Articles, the Company has indemnified the Directors to the full extent allowed by law. The Company maintains Directors' and Officers' liability insurance which is reviewed annually.

Dividend

The loss for the year after taxation was £40.2m (2023: £43.1m loss). The results for the year are set out on page 67 and are described in more detail in the financial review.

Due to the current trading and research and development investment strategy, the Company will not be declaring a dividend (2023: £nil). Further details of the Group's research and development strategy can be found on pages 27 to 28.

Capital structure

Details of the Company's issued share capital, including details of movements during the year, authorities to issue or repurchase shares and details of shares repurchased by the Company during the year, of which there were none, are shown in Note 29 to the financial statements on page 104. Each share carries the right to one vote at General Meetings of the Company.

There are no specific restrictions on the transfer of shares beyond those standard provisions set out in the Articles of Association. No shareholder holds shares carrying special rights with regard to control of the Company.

Directors' report continued

Substantial shareholdings

The significant holdings of voting rights in the share capital of the Company notified and disclosed in accordance with Disclosure and Transparency Rule 5, as at 1 November 2024, are shown in the table below.

The following were the significant shareholders as notified to the Company at 1 November 2024:

Shareholder name	Amount	% holding
SkyGem Acquisition Limited (ZQ Capital)	3,098,231,533	65.00
Southern Fox Investments	1,307,377,398	27.43

Use of financial instruments

Information on risk management objectives and policies, including hedging policies, and exposure of the Group in relation to the use of financial instruments, can be found in Note 27 to the financial statements on pages 96 to 100.

Employees

Information on Group employees can be found on pages 20 and 21 and in Note 9 to the financial statements on page 82.

The environment

Details of the Group's approach to the environment and its aims and activities are described on the Group's website, **www.allergytherapeutics.com.** An overview of the Group's corporate responsibility activity is on pages 11 to 22.

The Group recognises the importance of minimising the adverse impact of its operations on the environment and the management of energy consumption and waste recycling. The Group strives to improve its environmental performance. The environmental management system is regularly reviewed to ensure that the Group maintains its commitment to environmental matters. Details of the Group's energy usage can be found in its SECR report on page 18.

Disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Post balance sheet events

Details relating to post balance sheet events are set out in Note 34.

Independent auditor

A resolution to seek the appointment of BDO LLP was proposed at the AGM, held on 8 March 2024, and passed.

By order of the Board

Karley Cheesman

Company Secretary

5 November 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. They have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including FRS 101, Reduced Disclosure Framework. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that in so far as each Director is aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This responsibility statement was approved by the Board of Directors on 5 November 2024 and signed on its behalf by:

Manuel Llobet
Chief Executive Officer

Dr. Shaun Furlong
Chief Financial Officer

Independent auditor's report

to the members of Allergy Therapeutics plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Allergy Therapeutics Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the Company balance sheet, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Going concern was considered to be a key audit matter and therefore our approach to auditing this is considered with the Key Audit Matters section of this report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	88% (2023: 82%) of Group revenue 92% (2023: 91%) of Group total assets		
Key Audit Matters		**2024**	**2023**
	Revenue recognition	✓	✓
	Valuation of retirement benefit obligation and asset		✓
	Going concern	✓	✓
	The valuation of the retirement benefit obligation and asset was considered to be a Key Audit Matter in the prior year as a result of the time spent on the valuation of the asset and the subsequent prior period adjustment. This is no longer consider to be a Key Audit Matter.		
Materiality	Group financial statements as a whole £1,103,000 (2023: £894,000) based on 2% (2023: 1.5%) of revenue		

Independent auditor's report continued

to the members of Allergy Therapeutics plc

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group financial statements are a consolidation of eleven companies made up of the Parent Company, a principal holding company, seven operating companies and two dormant companies. The Parent company, the holding company and one operating company are located in the UK and represent the Group's head office, primary research, development and manufacturing centre. All other operating companies are located across Europe, with the exception of one dormant company located in Argentina.

Based upon our risk assessment, in addition to the Parent Company we identified the operating companies located in the UK, Germany and Spain as significant components requiring a full scope audit of their complete financial information due to their size. These audits, together with specific procedures performed over the revenue recognised within the Netherlands-based company, gave us the evidence we needed to form our opinion on the Group financial statements as a whole.

The full scope audit of the significant UK and Spanish components, as well as the specific procedures performed over the Netherlands component's revenue were performed by component audit teams within BDO LLP. The full scope audit of the significant German component was performed by a BDO member firm in Germany directed by BDO UK, with additional work performed by the Group audit team to take account of accounting differences between component and Group accounting frameworks, including IFRS 16, accounting for defined benefit pensions schemes and capitalisation of intangibles.

Audit procedures over the Group consolidation were also performed by the Group audit team.

The remaining components of the Group were not identified as being significant to the Group and these components were principally subject to analytical review procedures performed by the Group audit team. As part of the audit strategy, senior members of the Group audit team attended a number of meetings with Component and Audited Entity management via video conference.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- The Group audit team directed and controlled the work of the component audit teams in the UK and Germany. Detailed audit instructions were issued to both teams. Relevant component materiality was communicated to all subsidiary teams and used by each team in the performance of their audits;
- As part of our audit planning, we held meetings with component teams to discuss the Group and local risks identified and to agree the testing approach and audit timelines. The planning documentation on the respective files was also reviewed;
- Members of the group audit team performed a direct review of the component audit teams' audit files. Following the review, any further work required by the Group audit team was performed by the component auditor in question; and
- At the completion stage, we attended meetings with each component audit team and reviewed the component audit teams' reporting which addressed the risks and specific procedures raised.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report continued

to the members of Allergy Therapeutics plc

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue Recognition The Group's accounting policy on revenue recognition is shown in Note 2 and related disclosures are given in Notes 3 and 5.	In Germany, pharmaceutical companies are required to pay a manufacturer's rebate to the German health authorities as a contribution to the costs of medicines paid for by the state and private health funds. Rebates are considered to be a reduction in the selling price and therefore revenue is shown net of these rebates. The rebate calculation is performed by management and settled in arrears therefore there is a risk that it could be manipulated in order to influence the perceived performance of the Group. We consider revenue recognition as described above to be a key audit matter due to it being one of the most significant risks of material misstatement and its associated fraud risk.	In responding to this key audit matter, we performed the following procedures: - We assessed the appropriateness of the Group's revenue recognition policy in accordance with IFRS 15 and confirmed its application through the procedures set out below; - We obtained an understanding of the requirements in respect of the statutory rebate charge and considered management's calculations by reference to these requirements; - We corroborated a sample of statutory rebates paid in the year to the invoices received from the German health authorities to confirm their existence and accuracy of the rebate calculation and obtained the equivalent invoices received after the year end to assess the completeness and accuracy of the accrual. **Key observations:** Based upon the work performed we consider that revenue is appropriately recognised in line with IFRS 15.

Independent auditor's report continued

to the members of Allergy Therapeutics plc

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Going Concern The directors assessment of the going concern position of the group has been disclosed within Note 1 to the financial statements.	The Parent Company is a holding Company and as such their going concern is dependent on the Group therefore the going concern assessment for the Parent Company was performed as part of the Group's assessment. The Group has incurred net cash outflows from operating activities of £32.1m and net cash outflows from investing activities of £1.2m. The group has been funded during the year principally by raising additional equity and through shareholder loans. The Group will continue to require funding to support the ongoing costs of the business, and, as set out in Note 1 to the financial statements, the Group has secured a combination of committed and uncommitted funding through an external borrowing facility and through shareholder loan agreements. Due to the significance of the uncommitted nature of some of the facilities and the timing of cash outflows from operations and inflows from loan financing, we have assessed the robustness of the Directors assessment of the impact of these factors on the business, to be a Key Audit Matter.	In responding to this key audit matter, we performed the following procedures: - A review of the directors' assessment of going concern and key assumptions used to make this assessment, including a review of revenue forecasts, research and development expenditure, capital expenditure, debt/equity financing cashflows and consideration of the business risks in the register. These were assessed through discussions with directors, review of previously forecast results against actual results, corroboration to signed contracts for research and development progress and capital expenditure projects and by reference to our knowledge of the industry and experience to date of the relevant cash flows in respect of the Group's operations; - A review of the accuracy of the forecast made through corroboration of the opening cash position to bank statements and re-performance of the calculations; - A review of the loan financing agreements signed subsequent to year end with respect to the committed and uncommitted financing to gain an understanding of the terms, including the updated and amended loans with the shareholders and challenge of the directors on the terms of the agreement, and the ability of the shareholders to stand behind the support if called; - We have reviewed covenants in place over the new and existing facilities and performed recalculations to consider whether any breaches occur within the going concern period; - We assessed the reasonability of the disclosures relating to going concern and considering them in line with the applicable standards. **Key observations:** Our conclusions are set out in the Conclusions related to going concern section of our report.

Independent auditor's report continued

to the members of Allergy Therapeutics plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024	**2023**	**2024**	**2023**
Materiality	£1,103,000	£894,000	£170,000	£155,000
Basis for determining materiality	2% of revenue	1.5% of revenue	2% of total assets	2% of total assets
Rationale for the benchmark applied	Revenue was selected as the most appropriate benchmark for materiality as this is the primary reporting measure used to assess performance where the Group is loss making.		Total assets were selected as the most appropriate benchmark for materiality as the Parent Company is held primarily for investment purposes.	
Performance materiality	£827,250	£625,800	£127,500	£108,500
Basis for determining performance materiality	75% of materiality	70% of materiality	75% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	In the prior year 70% of materiality was selected after consideration of a number of aspects, including the total value of known and likely misstatements and the number of material estimates. In the current year this has been increased to 75% which is reflective of the updated considerations of these matters.			

Independent auditor's report continued

to the members of Allergy Therapeutics plc

Our application of materiality continued

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 50% and 90% (2023: 50% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £549,000 to £992,700 (2023: £433,000 to £808,000). In the audit of each component, we further applied performance materiality levels of 75% (2023: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £55,000 (2023: £45,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report continued

to the members of Allergy Therapeutics plc

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be UK-adopted International Accounting Standards, Financial Reporting Standard 101, the Companies Act 2006, the AIM Listing Rules and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and those set by the Department of Health and Social Care ('DHSC'), in particular the Medicines and Healthcare products Regulatory Agency ('MHRA') in the UK and the national health insurance association in Germany.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory for any instances of non-compliance with laws and regulations;
- Discussion with component teams;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Independent auditor's report continued

to the members of Allergy Therapeutics plc

Auditor's responsibilities for the audit of the financial statements continued

Fraud continued

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the manipulation of statutory rebates in Germany.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including those set out in the Key Audit Matters section of this report; and
- Corroboration of a sample of statutory rebates to invoice to confirm its existence and identification of the equivalent invoices received after the year end to assess the completeness of the accrual (as discussed in the relevant Key Audit Matter above).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nigel Harker (Senior Statutory Auditor)

For and on behalf of BDO LLP,
Statutory Auditor
Gatwick, UK

5 November 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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	10		**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	12		**285**		329
Finance expense	11		**(4,194)**		(2,441)
Loss before taxes	7		**(39,166)**		(41,766)
Income tax	13		**(1,050)**		(1,305)
Loss for the year			**(40,216)**		(43,071)
Loss per share	15				
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	28	**(617)**	603
Remeasurement of investments – retirement benefit assets	19	**549**	(867)
Revaluation gains – land and buildings	18	**281**	428
Deferred tax movement – land and buildings	14	**(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	18	**7,457**	8,465
Property, plant and equipment - other	18	**16,288**	14,776
Intangible assets - goodwill	16	**3,317**	3,346
Intangible assets - other	17	**1,370**	1,790
Investments - retirement benefit assets	19	**2,913**	4,866
Total non-current assets		**31,345**	33,243
Current assets			
Inventories	20	**12,744**	11,593
Trade and other receivables	21	**7,823**	7,088
Cash and cash equivalents	22	**12,915**	14,845
Total current assets		**33,482**	33,526
Total assets		**64,827**	66,769
Liabilities			
Current liabilities			
Trade and other payables	23	**(15,940)**	(16,683)
Borrowings	24	**(600)**	(648)
Provisions	26	**(2,489)**	—
Lease liabilities	25	**(1,516)**	(1,155)
Derivative financial instruments	27	**—**	(79)
Total current liabilities		**(20,545)**	(18,565)
Net current assets		**12,937**	14,961

	Note	30 June 2024 £'000	30 June 2023 £'000
Non-current liabilities			
Retirement benefit obligations	28	**(8,611)**	(7,917)
Deferred taxation liability	14	**(382)**	(454)
Provisions	26	**(2,708)**	(3,581)
Lease liabilities	25	**(6,372)**	(7,747)
Long-term borrowings	24	**(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	29	**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

These financial statements were approved by the Board of Directors and authorised for issue on 5 November 2024 and signed on its behalf by:

Manuel Llobet
Chief Executive Officer

Dr. Shaun Furlong
Chief Financial Officer

Registered number: 05141592

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 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 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	12	**(285)**	(329)
Finance expense	11	**4,194**	2,441
Non-cash movement on defined benefit pension scheme	28	**121**	(79)
Depreciation and amortisation	17, 18	**4,319**	4,224
R&D tax credit	10	**(1,526)**	(856)
Charge for share-based payments		**759**	114
Payments for retirement benefit investments	19	**(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)

	Note	Year to 30 June 2024 £'000	Year to 30 June 2023 £'000
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	33	**514**	—
Repayment of bank loan borrowings	33	**(647)**	(961)
Interest paid on bank loan borrowings	33	**(86)**	(2,117)
Repayment of principal on lease liabilities	33	**(1,734)**	(1,281)
Interest paid on lease liabilities	33	**(295)**	(334)
Proceeds from shareholder loan	33	**36,575**	36,000
Repayment of shareholder loan	33	**(2,135)**	(9,288)
Interest paid on shareholder loan	33	**(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 consolidated financial statements

for the year ended 30 June 2024

1. Basis of preparation

Allergy Therapeutics is an international commercial biotechnology Group focused on the diagnosis and treatment of allergic disorders including immunotherapy vaccines that have the potential to cure disease.

The Group's financial statements have been prepared in accordance with IFRS in issue as adopted by the UK and with those parts of the Companies Act 2006 that are relevant to the Group preparing its accounts in accordance with UK-adopted IFRS.

Allergy Therapeutics plc is the Group's parent company. The Company is a public limited company incorporated and domiciled in England. The address of Allergy Therapeutics plc's registered office and its principal place of business is Dominion Way, Worthing, West Sussex BN14 8SA and its shares are listed on the AIM.

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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill

Goodwill arising from business combinations is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset and is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group and their useful economic lives are as follows:

Trade names	15 years
Customer relationships	5 years
Know-how and patents	10 years
Distribution agreements	15 years/period of contract
Computer software	7 years
Other intangibles	15 years

Internally generated intangible assets

Development expenditure is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of projects are recognised in the consolidated income statement as incurred.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed, on a straight-line basis. The amortisation expense is included within administration expenses in the consolidated income statement.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Segmental reporting

The Group's operating segments are market-based and are reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision Maker ("CODM") which has been identified as the Executive Directors. The CODM is responsible for allocating resources and assessing the performance of the operating segments.

In identifying its operating segments, management follow the Group's revenue lines which represent the main geographical markets within which the Group operates. These operating segments are managed separately as each requires different local expertise, regulatory knowledge and a specialised marketing approach. Each market-based operating segment is engaged in production, marketing and selling within a particular economic environment that is different from that in segments operating in other economic environments. All inter-segment transfers are carried out at arm's length prices.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies continued

Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group's presentational currency is Sterling, which is also the functional currency of the Group's parent.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at reporting period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated income statement. Non-monetary items are carried at historical cost or translated using the exchange rate at the date of the transaction or a weighted average rate as an approximation where this is not materially different.

Non-UK operations

On consolidation, assets and liabilities have been translated into Sterling at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a non-UK entity have been treated as assets and liabilities of the non-UK entity and translated into Sterling at the closing rate. Income and expenses have been translated into Sterling at the weighted average rate over the reporting period which approximates to actual rates. Exchange differences are charged or credited to other comprehensive income ("OCI") and recognised in the currency translation reserve in equity. OCI includes those items which would be reclassified to profit or loss and those items which would not be reclassified to profit or loss.

Revenue recognition

The Group's revenue is derived from selling goods directly to external customers and through distributors and agents. Revenue is recognised at a point in time when control of the goods has transferred. There is limited judgement needed in identifying the point control passes, this is generally when the goods are delivered. With the exception of sales made through agents, once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Arrangements for sales through distributors

For all distributor arrangements, the distributor is invoiced at the time of delivery and title to the product passes upon full and final settlement of the invoice to which the delivery relates.

The distributor has full discretion over the setting of the final selling price to the end customer and is responsible for all customer returns of product.

Arrangements for sales through agents

For all agreements with agents, the agent places orders with the Group and goods are then shipped to them. The Group, however, holds title to these products until they are sold on to a third party.

The selling price to the end user is set by the relevant government body and the agent receives a fixed percentage of this selling price. The agent notifies the Group monthly on stock levels and this is reconciled to a statement which generates an invoice for payment by the agent. The Group is responsible for any customer returns of product. Revenue is recognised by the Group when the products are sold by the agent.

Statutory rebates

In Germany, pharmaceutical companies are required to pay a manufacturer's rebate to the government as a contribution to the cost of medicines paid for by the state and private health funds. In respect of contracts with customers on which a rebate applies (for example, the supply of an allergy vaccine to a patient in Germany), there is no variability relating to the consideration to be received by the Group – the sales price and associated rebate liability is crystallised at the point of the supply. The rebate to be repaid by the Group is invoiced in arrears by the various health insurer rebate centres in Germany, is considered to be a reduction in the selling price and is therefore deducted from revenue.

Leasing

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies continued

Leasing continued

Low-value and short-term leases

Where the Group is a lessee, payments on low-value and short-term operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Benefits received and receivable as an incentive to enter an operating lease are also spread on a straight-line basis over the lease term.

Property, plant and equipment ("PPE")

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold buildings	33 years
Computer equipment	3-7 years
Motor vehicles	4 years
Fixtures and fittings	5-15 years
Plant and machinery	5-15 years

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when freehold buildings are expensed through the consolidated statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value.

The costs of raw materials, consumables, work in progress and finished goods are measured by means of weighted average cost using standard costing techniques. The cost of finished goods and work in progress comprises direct production costs such as raw materials, consumables, utilities and labour, and production overheads such as employee costs, depreciation on equipment used in production, maintenance and indirect factory costs. Standard costs are reviewed regularly in order to ensure relevant measures of utilisation, production lead time and appropriate levels of manufacturing expense are reflected in the standards.

Net realisable value is calculated based on the selling price in the normal course of business less any costs to sell.

R&D investment credits

Investment credits are directly related to the Group's qualifying R&D expenditure and have a monetary value that is independent of the Group's tax liability. Such investment credits are dealt with in other income in the consolidated income statement.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below. Financial derivatives are designated at fair value through the profit and loss ("FVTPL") upon initial recognition.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, substantial modification of the terms of an existing financial liability shall be accounted for as an extinguishment of the original liability and the recognition of a financial liability. A substantial modification of terms occurs when the discounted present value of the cash flows under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original facility.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies continued

Financial instruments continued

Financial assets at amortised cost

Financial assets are measured at amortised cost when their contractual cash flows represent solely payments of principal and interest and they are held within a business model designed to collect cash flows; typically the Group's cash and cash equivalents and trade and other receivables. The carrying amount of financial assets measured at amortised cost is adjusted for expected credit losses under the expected credit losses model.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. The expected loss rates are based on the payment profile of historical sales and the corresponding historical credit losses expected in this period. The Company also considers future expected credit losses due to circumstances in addition to historical loss rates.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives.

Derivative financial instruments

All derivative financial instruments are initially measured at fair value on acquisition and are subsequently restated to fair value at each reporting date. Any change in the fair value of the instruments is recognised in administration expenses (foreign exchange contracts) in the consolidated income statement. Hedge accounting is not applied.

Equity

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's Ordinary Shares are classified as equity instruments.

The 'merger reserve' represents the excess of the book value of the assets and liabilities acquired over the nominal value of the equity shares issued on acquisition of subsidiaries.

Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or repayment of the debt. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Warrants reserve" within shareholders' equity, net of transaction costs.

Current and deferred taxation

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate that have been enacted or substantially enacted by the end of the reporting period. All changes to current tax liabilities are recognised as a component of tax expense in the consolidated income statement.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- considers whether uncertain tax treatments should be considered separately, or together as a Group, based on which approach provides better predictions of the resolution;
- determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies continued

Current and deferred taxation continued

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to OCI (such as the revaluation of land and buildings) or equity, in which case the related deferred tax is also charged or credited directly to OCI or equity, respectively.

Defined contribution pension scheme

Payments to defined contribution schemes are charged as an expense to the consolidated income statement as they fall due in the expense category consistent with the function of the employee to which they relate.

Defined benefit pension scheme

Defined benefit scheme surpluses and deficits are measured at:

- the fair value of qualifying plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high-quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- actuarial gains and losses; and
- return on plan assets (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense/(income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation/(asset) at the beginning of the annual period to the balance of the net defined benefit obligation/(asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Other employee benefits

Short term

Short-term employee benefits, including holiday entitlement, are included within trade and other payables, at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Long term

Under Italian law, alongside each monthly salary payment an amount is accrued into a reserve for each employee. When the employee leaves the Company, the accrued amount is paid as a deferred salary payment. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high-quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

Investments

Investments relate to long-term insurance policies. In accordance with IAS 19, these cannot be directly deducted from the German pension obligation and are recognised as a separate asset, rather than as a deduction in determining the net defined benefit liability. Interest income is recognised through the consolidated income statement. They are held at fair value with any gains or losses on remeasurement charged or credited to OCI.

Provisions

The Group has recognised provisions for liabilities of uncertain timing or amount. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and presented as current/non-current based on management's best estimate of the likely timing of resulting payments.

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees comprising Long Term Incentive Plan ("LTIP") schemes.

The fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Share-based compensation is recognised as an expense in the consolidated income statement with a corresponding credit to the share-based payments reserve. The expensed value of share options, which have lapsed unexercised, is transferred from the share-based payment reserve to retained earnings.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

2. Accounting policies continued

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 the sensitivity analysis.

3. Revenue

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

	2024 £'000	2023 £'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 £'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)

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

5. Segmental reporting continued

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 £'000	2023 £'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 £'000	2023 £'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)

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

6. Exceptional items

	2024 £'000	2023 £'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 IFRS 9 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. Loss before tax

	2024 £'000	2023 £'000
Loss for the period has been arrived at after (crediting)/charging:		
Gain on fair valuation of foreign exchange forward contracts	**(79)**	(37)
Loss on foreign exchange forward contracts matured in the year	**128**	900
Loss on revaluation of US Dollar denominated cash deposits	**26**	28
Other foreign exchange (gains)/losses	**(274)**	18
Depreciation and amortisation:		
Depreciation of property, plant and equipment excluding right-of-use assets (Note 18)	**2,059**	1,989
Depreciation of right-of-use assets (Note 18)	**1,728**	1,681
Amortisation of intangible assets (Note 17)	**532**	554
R&D	**22,900**	20,121
Short-term lease expense	**—**	—
Share-based payment expense (Note 30)	**759**	114
Audit and non-audit services:		
Fees payable to the Company's auditor for the audit of the Group's accounts[1]	**307**	370
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries' accounts[2] pursuant to legislation	**237**	165
Audit-related assurance	**12**	11

1. £148,000 of the amount disclosed in 2023 relates to additional fees in respect of the audit for the year ended 30 June 2022.
2. £77,000 of the amount disclosed in 2024 relates to additional fees in respect of the audit for the year ended 30 June 2023.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

8. Remuneration of Directors

	2024 £'000	2023 £'000
Salaries and short-term employee benefits	**745**	690
Social security costs	**56**	52
Post-employment benefits - defined contribution and defined benefit plans	**55**	57
	856	799
Share-based payments	**252**	14
	1,108	813

	2024 Number	2023 Number
The number of Directors in respect of whose qualifying services shares were received or receivable under long-term incentive schemes	**2**	1

Highest paid Director	2024 £'000	2023 £'000
Emoluments and long-term incentive scheme	**436**	364
Pension contributions paid by the Group for highest paid Director	**48**	48
The number of Directors for whom defined contribution pension payments are made in respect of qualifying services	**2**	2

During the year, 1,676,200 share options were exercised by Manuel Llobet, CEO, at a market price of £0.01885 per share (2023: No share options exercised by any Directors of the Group).

Key management personnel are considered to be all the Directors plus the CFO where the CFO at the time was not appointed as a Director.

Full details of Directors' remuneration is set out in the information included in the Directors' remuneration table on page 52.

Dr. Shaun Furlong was appointed CFO on 11 August 2023 and was subsequently appointed as a Director on 8 March 2024, for the period from his appointment as CFO until he was appointed to the Board he received remuneration and taxable benefits totalling £104,807 and pension contributions of £10,679, his remuneration for the period from his appointment as a Director is included within Directors' remuneration. Prior to leaving the Company in August 2023, the interim CFO, Martin Hopcroft, received remuneration during the period of £59,000 (2023: £329,000), no pension contributions were made (2023: none).

9. Employees (including Directors)

	2024 £'000	2023 £'000
Wages and salaries	**34,501**	35,104
Social security costs	**5,122**	5,336
Share-based payments	**759**	114
Pension costs - defined benefit plans	**121**	134
Pension costs - defined contribution plans	**713**	747
	41,216	41,435

The average number of employees during the period (including Executive Directors) was made up as follows:

	2024	2023
R&D, marketing and administration	**262**	276
Sales	**97**	113
Production	**243**	246
	602	635

10. Other income

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

11. Finance expense

	2024 £'000	2023 £'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

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

12. Finance income

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

13. Income tax expense

	2024 £'000	2023 £'000
Current tax:		
UK corporation tax on loss for the period at 25% (2023: 20.5%)		
Current year	**285**	—
IFRIC 23 provision	**255**	476
Overseas tax	**610**	766
	1,150	1,242
Deferred tax - current year	**(20)**	63
Deferred tax - prior year	**(80)**	—
Tax charge for the period	**1,050**	1,305

The reconciliation between the tax charge and the accounting loss multiplied by the UK corporation tax rate for the years ended 30 June is as follows:

	2024 £'000	2023 £'000
Loss for the period before tax	**(39,166)**	(41,766)
Loss for the period multiplied by the standard rate of corporation tax of 25% (2023: 20.5%)	**(9,792)**	(8,562)
Effects of:		
Disallowable adjustments	**472**	221
Income not taxable	**63**	—
Movements in unrecognised deferred tax - losses not recognised	**10,347**	9,098
Adjustment of taxes for prior periods	**(78)**	—
Movement in uncertain tax positions	**255**	476
Adjustment for different tax rates	**(22)**	166
Overseas double taxation	**(100)**	(84)
Overseas R&D relief	**(14)**	(22)
Other	**1**	2
Gross up of R&D expenditure credit	**(82)**	10
Tax charge for the period	**1,050**	1,305

At 30 June 2024, the Group had recognised liabilities of £2.6m (2023: £2.4m) in respect of uncertain tax positions on the balance sheet.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

14. Deferred tax

Recognised deferred tax asset/(liability)

	Tax value of carried forward losses £'000	Tax value of accelerated capital allowances £'000	Acquisition of Bencard A.G. £'000	Tax value of overseas losses £'000	Property revaluations £'000	Total £'000
At 1 July 2023	**1,252**	**(1,252)**	**(62)**	**—**	**(392)**	**(454)**
Adjustment in respect of prior year	**(29)**	**29**	**—**	**80**	**—**	**80**
Amount recognised in the income statement	**594**	**(594)**	**17**	**3**	**—**	**20**
Amount recognised in other comprehensive income	**—**	**—**	**—**	**—**	**(30)**	**(30)**
Exchange differences	**—**	**—**	**—**	**(1)**	**3**	**2**
At 30 June 2024	**1,817**	**(1,817)**	**(45)**	**82**	**(419)**	**(382)**

	Tax value of carried forward losses £'000	Tax value of accelerated capital allowances £'000	Acquisition of Bencard A.G. £'000	Tax value of overseas losses £'000	Property revaluations £'000	Total £'000
At 1 July 2022	664	(664)	(81)	23	(348)	(406)
Amount recognised in the income statement	588	(588)	17	(23)	(57)	(63)
Exchange differences	—	—	2	—	13	15
At 30 June 2023	1,252	(1,252)	(62)	—	(392)	(454)

Deferred tax is provided under the balance sheet liability method using the local tax rate for each country's difference. Deferred tax assets and deferred tax liabilities are offset where the Group has a legally enforceable right to do so and when the deferred tax assets and liabilities relate to tax levied by the same tax authority and where there is an intention to settle the balances on a net basis. Deferred tax assets, in respect of losses, are recognised up to the value of the fixed asset liability as the nature of the asset and liability is such that they unwind at the same time.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

14. Deferred tax continued

Recognised deferred tax asset/(liability) continued

The following is the analysis of the deferred tax balances after offset for financial reporting purposes:

	2024 £'000	2023 £'000
Deferred tax assets	**1,899**	1,252
Deferred tax liabilities	**(2,281)**	(1,706)
	(382)	(454)

Unrecognised deferred tax

As at 30 June 2024, the Group had approximately £170m of unutilised tax losses (2023: approximately £130m) available for offset against future profits. The unrecognised deferred tax losses are stated after offset against any taxable temporary differences as per IAS 12. Substantially all the tax losses have no fixed expiry date. The Group reviewed the unrecognised tax losses and determined that it was not probable that taxable profits will be available against which the tax losses can be utilised.

It is likely that the unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption such that no UK tax would be due upon remitting these earnings to the UK. However, €3.6m of those earnings may still result in a tax liability, principally as a result of the dividend withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate. These tax liabilities are not expected to exceed £152k. No provision for a deferred tax liability has been recognised as the Group controls the dividend policy of its subsidiaries and has no plans to remit relevant earnings in the foreseeable future.

Recognised and unrecognised deferred tax assets and liabilities have been calculated at the tax rates expected to apply to the date when the liability is settled or asset realised.

15. Loss per share

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

	Shares '000	Shares '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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

16. Goodwill

	2024 £'000	2023 £'000
At 1 July	**3,346**	3,347
Exchange difference	**(29)**	(1)
At 30 June	**3,317**	3,346

Impairment review

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable and a potential impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which the goodwill has been allocated. For the purposes of impairment testing, goodwill has been allocated to the following CGUs:

	2024 £'000	2023 £'000
Germany	**2,549**	2,567
Spain	**768**	779
Total	**3,317**	3,346

The value-in-use calculation requires an estimation of the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Management estimates future cash flows on a pre-tax basis. The discount rate is also determined on a pre-tax basis and has been estimated by calculating a weighted average cost of capital for the Group, using the capital asset pricing model ("CAPM"), and adjusting for risks specific to the relevant CGU.

Goodwill impairment reviews have been performed for the years ended 30 June 2024 and 2023. The recoverable amount for the Germany and Spain CGUs was in excess of the respective carrying amounts for both years and accordingly no impairment loss has been recognised. Management's key assumptions are set out below.

Germany

Value in use for the Germany CGU was measured using cash flow projections based on a detailed two-year forecast approved by management, estimates for the period beyond the detailed two-year period were extrapolated using a growth rate of 1.1%, representing the OECD's projected GDP growth rate for the German economy in the short term. The discount rate used was 15% (2023: 16%) and has decreased year-on-year due to a decrease in the cost of debt funding for the Group.

Spain

Value in use for the Spain CGU was measured using cash flow projections based on a detailed two-year forecast approved by management, estimates for the period beyond the detailed two-year period were extrapolated using a growth rate of 2.0%, representing the OECD's projected GDP growth rate for the Spanish economy in the short term. The discount rate used was 15% (2023: 16%) and has decreased year-on-year due to a decrease in the cost of debt funding for the Group.

Sensitivity

Apart from the considerations described above in determining the value in use of the CGU, the Group's management is not currently aware of any reasonabe possible changes that would necessitate changes in its key estimates.

In respect of the German CGU, possible impairment was sensitised with a discount rate of 20%, with annual cash inflows reduced by £5.0m and with a growth rate of 0% beyond the detailed forecast period. None of these scenarios, either individually or combined, indicated an impairment.

In respect of the Spanish CGU, possible impairment was sensitised with a discount rate of 20%, with annual cash inflows reduced by £1.0m and with a growth rate of 0% beyond the detailed forecast period. None of these scenarios indicated an impairment in isolation, however a scenario combining all three sensitivities at the same time, which managements considers to be unlikely, indicates a possible impairment of £0.3m.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

17. Intangible assets

	Manufacturing and non-competing know-how £'000	Distribution agreements (Switzerland) £'000	Trade names (Spain) £'000	Customer relationships (Spain) £'000	Know-how and patents (Spain) £'000	Other intangibles £'000	Computer software £'000	Total £'000
Cost								
At 1 July 2022	4,672	1,234	453	289	269	1,095	5,068	13,080
Reclassification (see Note 18)	—	—	—	—	—	—	29	29
Additions	—	—	—	—	—	307	305	612
Disposals	—	—	—	—	—	—	—	—
Foreign exchange	(3)	27	—	—	—	(1)	(1)	22
At 30 June 2023	4,669	1,261	453	289	269	1,401	5,401	13,743
Reclassification (see Note 18)	—	—	—	—	—	—	(35)	(35)
Additions	—	—	—	—	—	—	80	80
Disposals	—	—	—	—	—	(152)	(8)	(160)
Foreign exchange	(45)	—	(6)	(4)	(4)	(1)	(25)	(85)
At 30 June 2024	**4,624**	**1,261**	**447**	**285**	**265**	**1,248**	**5,413**	**13,543**
Amortisation								
At 1 July 2022	4,672	861	415	289	267	1,094	3,794	11,392
Disposals	—	—	—	—	—	—	—	—
Charge for the year	—	76	31	—	—	14	433	554
Foreign exchange	(3)	9	—	—	2	—	(1)	7
At 30 June 2023	4,669	946	446	289	269	1,108	4,226	11,953
Disposals	—	—	—	—	—	(152)	(8)	(160)
Charge for the year	—	83	7	—	—	20	422	532
Foreign exchange	(45)	(77)	(6)	(4)	(4)	(2)	(14)	(152)
At 30 June 2024	**4,624**	**952**	**447**	**285**	**265**	**974**	**4,626**	**12,173**
Net book value								
At 1 July 2022	—	373	38	—	2	1	1,274	1,688
At 30 June 2023	—	315	7	—	—	293	1,175	1,790
At 30 June 2024	**—**	**309**	**—**	**—**	**—**	**274**	**787**	**1,370**

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

18. 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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

18. Property, plant and equipment continued

Right-of-use assets by asset class

Additional information on the right-of-use assets by class of assets is as follows:

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Land and buildings £'000	Total £'000
Cost or valuation					
At 1 July 2022	74	38	2,204	9,917	12,233
Additions	—	—	631	1,616	2,247
Foreign exchange	—	—	(557)	—	(557)
Disposals	—	—	(1)	1	—
At 30 June 2023	74	38	2,277	11,534	13,923
Additions	—	—	481	284	765
Disposals	—	—	(293)	—	(293)
Foreign exchange	—	(1)	(32)	(71)	(104)
At 30 June 2024	**74**	**37**	**2,433**	**11,747**	**14,291**
Depreciation					
At 1 July 2022	48	38	1,242	3,014	4,342
Charge for the year	8	—	604	1,069	1,681
Foreign exchange	—	—	(557)	—	(557)
Disposals	—	—	(9)	1	(8)
At 30 June 2023	56	38	1,280	4,084	5,458
Charge for the year	8	—	515	1,205	1,728
Disposals	—	—	(293)	—	(293)
Foreign exchange	—	(1)	(23)	(35)	(59)
At 30 June 2024	**64**	**37**	**1,479**	**5,254**	**6,834**
Net book value					
At 1 July 2022	26	—	962	6,903	7,891
At 30 June 2023	18	—	997	7,450	8,465
At 30 June 2024	**10**	**—**	**954**	**6,493**	**7,457**

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

18. Property, plant and equipment continued

Right-of-use assets by asset class continued

At 30 June 2024, there were no lease payments that had been made prior to the commencement of the lease, nor any lease incentives, nor has the Group made any structural or other changes to any right-of-use assets that would require material costs in respect of dismantling, removal or restoration.

Land and buildings include the Group's office and warehouse building in Milan, Italy, and the Group's manufacturing and office facility in Madrid, Spain. The Group obtained an updated valuation of the Italy premises in June 2024. The valuation was carried out by Yard S.p.A. independent valuers based in Milan, Italy. Yard S.p.A are certified by the Royal Institution of Chartered Surveyors. The valuation of the Italy premises was €1,370,000. The valuation of the Italy premises was performed using the comparable or market method.

The Group obtained an updated valuation of the Madrid premises in June 2024 by Co. Hispania S.A., an independent valuation company accredited by the Bank of Spain and based in Madrid, Spain. This property is carried at fair value. The valuation of the Madrid premises was €2,178,709. The valuation was performed using the comparison method.

The reconciliation of the carrying amounts of land and buildings non-financial assets classified within Level 2 is as follows:

	Spain £'000	Italy £'000	Total £'000
Balance at 1 July 2023	1,840	1,205	3,045
Additions at cost	—	—	—
Gain recognised in other comprehensive income:			
Revaluation of land and buildings	256	25	281
Loss recognised in income statement – depreciation of buildings	(224)	(51)	(275)
Gain recognised in OCI – exchange differences on translating foreign operations	(24)	(17)	(41)
Balance at 30 June 2024	**1,848**	**1,162**	**3,010**
IFRS 16 – right-of-use assets			6,493
NBV of land and buildings at 30 June 2024			**9,503**

19. 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.

20. 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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

21. 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.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

All of the Group's trade receivables in the comparative periods have been reviewed for indicators of impairment.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile over the past 24 months to 30 June 2024 and 30 June 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e. derecognised) where there is no reasonable expectation of recovery. An allowance is made for credit losses when there is an indication that the debt may not be recovered. Failure to make payments within five months from the invoice due date is considered an indicator of possible non-recovery.

Expected loss allowance

	2024 £'000	2023 £'000
Balance brought forward	**367**	406
Foreign exchange adjustments	**(34)**	42
Charge/(write back of previous credit losses)	**25**	(38)
Utilised	**(22)**	(43)
Balance carried forward	**336**	367

This note includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

21. Trade and other receivables continued

Expected loss allowance continued

On the above basis, the expected credit loss for trade receivables as at 30 June 2024 and 30 June 2023 was determined as follows:

	2024			2023		
	Expected credit loss rate %	**Gross carrying amount £'000**	**Lifetime expected credit loss £'000**	Expected credit loss rate %	Gross carrying amount £'000	Lifetime expected credit loss £'000
Trade receivables						
Current	**—**	**1,849**	**—**	—	1,637	—
Not more than three months	**—**	**902**	**—**	—	371	—
More than three months but not more than six months	**10%**	**83**	**8**	2%	297	6
More than six months but not more than one year	**19%**	**27**	**5**	25%	59	15
More than one year	**96%**	**337**	**323**	94%	369	346
		3,198	**336**		2,733	367

22. Cash and cash in hand

	2024 £'000	2023 £'000
Cash at bank and in hand	**12,915**	14,845

€0.2m of the above cash balance is subject to contractual restrictions on use.

23. Trade and other payables

	2024 £'000	2023 £'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

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

24. Borrowings

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

	2024 £'000	2023 £'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).

Post period, further funding was secured, for further information please refer to Note 34 for details of events after the balance sheet date.

The loans below were taken out by Allergy Therapeutics Iberica S.L. The Bank Inter loan is secured by way of a charge on land and buildings owned by Allergy Therapeutics Iberica S.L.

		Capital repayments due	
	Interest rate	<1 year £'000	1-5 years £'000
BBVA	Fixed rate of 2.5%	130	55
Bank Inter	1 month Euribor +5.0%	38	75
CDTI (Loan 1)	Interest free	36	121
Santander (Loan 1)	Fixed rate of 2.3%	52	—
Santander (Loan 2)	Fixed rate of 2.3%	329	—
Santander (Loan 3)	12 months Euribor +1.18%	15	494
		600	745

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

25. Lease liabilities

	2024 £'000	2023 £'000
At 1 July	**8,902**	8,080
Additions and modifications	**765**	2,247
Lease payments	**(2,029)**	(1,756)
Interest expense	**295**	334
Foreign exchange differences	**(45)**	(3)
	7,888	8,902

Lease liabilities are presented in the Group consolidated balance sheet as follows:

	2024 £'000	2023 £'000
Due within one year	**1,516**	1,155
Due in more than one year	**6,372**	7,747
	7,888	8,902

The Group has leases for the main manufacturing and production facility in Worthing, Group offices in Continental Europe, motor vehicles and mainly IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 18). The total cash outflow for leases during the year was £2.0m (2023: £1.9m).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term
Buildings (office, manufacturing and warehousing)	8	3-13 years	4 years
Cars	111	1-4 years	2 years
Other equipment	3	1 years	1 years

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

25. Lease liabilities continued

The related underlying asset secures the lease liabilities. Future minimum lease payments at 30 June 2024 were as follows:

	Minimum lease payments due						
30 June 2024	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	After 5 years £'000	**Total £'000**
Lease payments	1,779	1,573	1,367	1,133	791	2,312	**8,955**
Finance charges	(263)	(207)	(159)	(119)	(89)	(230)	**(1,067)**
Net present values	1,516	1,366	1,208	1,014	702	2,082	**7,888**

26. Provisions

	2024 £'000	2023 £'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

Italian leaving indemnity

The movement in the leaving indemnity reserve during the year was as follows:

	2024 Total £'000	2023 Total £'000
At 1 July	**148**	144
Additions	**2**	13
Utilisation	**(43)**	(2)
Remeasurement of leaving indemnity reserve	**5**	(6)
Foreign exchange movement	**(1)**	(1)
At 30 June	**111**	148
Current	**—**	—
Non-current	**111**	148
	111	148

In the prior year an independent actuarial valuation of the Italy leaving indemnity reserve was carried out and an adjustment of £13,000 made so as to comply with IAS 19.

A leaving indemnity provision relates to a reserve in Allergy Therapeutics Italia s.r.l. Under Italian law, alongside each monthly salary payment an amount is accrued into this reserve for each employee. When the employee leaves the Company, the accrued amount is paid as a deferred salary payment.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

26. Provisions continued

Italian leaving indemnity continued

The actuarial valuation, in accordance with IAS 19, for employee benefits is based on assumptions determined at the valuation date. The methodology used is the 'projected unit credit method'. This method sees each year of service give rise to an additional unit of leaving indemnity entitlement and values each unit separately to build up to a final total obligation.

The actuarial valuation in accordance with IAS 19 was carried out by Managers & Partners Actuarial Services S.p.A. at 30 June 2024.

The major assumptions used were as follows:

	2024 % p.a.	2023 % p.a.
Retail price inflation	**2.0**	2.3
Salary increase rate	**0.5**	0.5
Annual rate of leaving indemnity increase	**3.0**	3.2
Annual discount rate	**3.3**	3.7
Demographic assumptions		
Mortality	**ISTAT 2022**	RG48
Inability	**INPS tables**	INPS tables
Advanced payment annual rate	**1.00%**	1.00%
Withdrawal annual rate	**10.00%**	10.00%

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 30 June 2024:

Changes in significant actuarial assumptions

	2024 £'000	2023 £'000
Withdrawal annual rate +1.00%	**—**	—
Withdrawal annual rate -1.00%	**—**	—
Annual discount rate +0.25%	**+1**	+1
Annual discount rate -0.25%	**-1**	-1
Annual price inflation +0.25%	**-1**	-2
Annual price inflation -0.25%	**+1**	+2

German rebate provision

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

	2024 Total £'000	2023 Total £'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.

27. Financial instruments

Risk management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern whilst maximising the return to shareholders through the effective management of liquid resources raised through share issues and loan arrangements. Capital management objectives are met through regular reviews of cash flows, debtor/creditor balances, budgets and forecasts.

	2024 £'000	2023 £'000
Capital	**3,709**	2,066
Total equity	**3,709**	2,066
Borrowings	**30,987**	35,989
Overall financing	**34,696**	38,055
Capital-to-overall financing ratio (%)	**11%**	5%

There is no requirement by external parties to comply with any capital ratios.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

27. Financial instruments continued

IFRS 9 categories of financial assets and liabilities included in the balance sheet and the headings under which they are shown are as follows:

Categories of financial instrument

	2024 £'000	2023 £'000
Financial assets		
Current		
Financial assets at amortised cost	**19,102**	19,215
	19,102	19,215
Financial liabilities		
Current		
At amortised cost (including borrowings and payables)	**(9,011)**	(18,484)
Fair value through profit and loss	**—**	(79)
	(9,011)	(18,563)
Non-current		
At amortised cost (including borrowings and payables)	**(22,500)**	(37,769)
	(31,511)	(56,332)

Derivative financial instruments

The Group uses derivative financial instruments to mitigate the effects of exchange rate exposure through the use of forward exchange contracts.

The fair value of these instruments is calculated by reference to observable market rates (spot rate versus forward rates for matching maturity dates) and supported by counterparty confirmation. Within the fair value hierarchy, this financial derivative is classified as Level 2.

Euro forward contracts (including Euro exchange swaps)

The Group does not currently have any outstanding forward exchange contracts.

Analysis of derivative financial instruments

	2024 £'000	2023 £'000
Credit to administration expenses in the consolidated income statement		
Euro forward contracts	**79**	37
Euro forward contracts - matured in the period	**(90)**	(900)
	(11)	(863)

Forward exchange contracts are considered by management to be part of economic hedge arrangements but have not been formally designated as such and hence hedge accounting is not used.

Derivative financial instruments

	2024 £'000	2023 £'000
Current assets		
Derivative financial instruments - Euro forward contracts	**—**	—
Current liabilities		
Derivative financial instruments - Euro forward contracts	**—**	(79)
	—	(79)

The net gain at fair value of financial instruments held at the balance sheet date that has been recorded through the consolidated income statement is £79,000 (2023: (£37,000)).

Foreign currency risk

The Group conducts most of its day-to-day financial activities in either the Euro (which is the functional currency of the active subsidiaries in Germany, Italy, Spain, Austria and the Netherlands), Sterling (which is the functional currency of the UK parent entity) or Swiss Francs (which is the functional currency of the Swiss subsidiary). Some costs are denominated in US Dollars and some costs are denominated in Canadian Dollars.

The cash balance at year end includes amounts denominated in the following currencies:

	2024 £'000	2023 £'000
Sterling	**8,079**	9,898
Euro	**4,466**	2,896
US Dollars	**6**	1,873
Canadian Dollars	**7**	10
Swiss Francs	**357**	168
	12,915	14,845

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

27. Financial instruments continued

Foreign currency risk continued

Foreign currency denominated financial assets and liabilities, translated into Sterling at closing rates, are as follows:

	2024			2023		
	Sterling £'000	**Euro £'000**	**Other £'000**	Sterling £'000	Euro £'000	Other £'000
Current						
Financial assets	**11,086**	**7,395**	**620**	11,901	5,102	2,213
Financial liabilities	**(3,673)**	**(5,084)**	**(254)**	(7,946)	(10,302)	(315)
Short-term exposure	**7,413**	**2,312**	**366**	3,955	(5,200)	1,898
Non-current						
Financial liabilities	**(21,755)**	**(745)**	**—**	(30,477)	(7,292)	—
Long-term exposure	**(21,755)**	**(745)**	**—**	(30,477)	(7,292)	—

The following table illustrates the sensitivity of the net result for the year and the equity of the Group with regard to its financial assets and liabilities and the Euro to Sterling exchange rate. Foreign exchange movements over recent years have been considered and on this basis a 5% movement is considered to be a reasonable benchmark. For 2023, a 10% movement was used.

	2024 £'000	2023 £'000
If Sterling had strengthened against the Euro by	**5%**	10%
Effect on net results for the year	**383**	1,161
Effect on OCI	**(918)**	(1,427)
Effect on equity	**(535)**	(266)
If Sterling had weakened against the Euro by	**5%**	10%
Effect on net results for the year	**(424)**	(1,419)
Effect on OCI	**1,090**	1,751
Effect on equity	**666**	332

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

27. Financial instruments continued

Interest rate risk

The Group finances its operations through operating cash flow, equity fundraising and shareholder loan facilities (see Note 34, events after balance sheet date).

The following table illustrates the sensitivity of the net result for the year and equity to possible changes in interest rates of +1% or -1% with effect from the beginning of the year on the remaining element of borrowings.

The sensitivities are considered to be reasonable given the current market conditions and the calculations are based on the financial instruments held at each balance sheet date which are subject to variable interest conditions, all other variables being held constant.

	2024		2023	
	£'000	**£'000**	£'000	£'000
Movement in interest rates	**+1%**	**-1%**	+1%	-1%
Movement in net results for the year	**(15)**	**15**	(50)	50
Equity	**—**	**—**	—	—
	(15)	**15**	(50)	50

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is regularly monitored. The maximum exposure to credit risk is the carrying value of the debtor.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit. Credit risk on assets derived from financial derivatives is also considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the asset recognised.

The credit quality of financial assets that are not past due or impaired is regularly reviewed by management.

Liquidity risk

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, and to provide adequate funding for its day-to-day operations. At 30 June 2024, the Group has access, subject to the agreement of its principal shareholders, to funding through a £17.5m uncommitted shareholder loan facility and continues to have the option to raise funds from the issue of equity shares to ensure the Group remains able to meet its commitments as they fall due. As at 30 June 2024, the Group's contractual maturities (undiscounted and including interest) are as summarised below. The borrowing facility is mainly a shareholder loan used to fund operating cash flows and investments. The additional bank debt on its balance sheet consists of bank loans arranged to fund development of products in the Spanish market.

Group borrowing totalled £23.1m (2023: £26.5m) at 30 June 2024. See Note 34, events after balance sheet date.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

27. Financial instruments continued

The Group has the following gross obligations (undiscounted and including interest):

Current liabilities

	2024		2023	
	Within 6 months £'000	**6 to 12 months £'000**	Within 6 months £'000	6 to 12 months £'000
Borrowing facilities	**319**	**319**	324	324
Lease liabilities	**889**	**889**	578	578
Trade payables	**4,016**	**—**	4,090	—
Other short-term liabilities	**4,275**	**—**	12,593	—
	9,499	**1,208**	17,585	902
Derivatives	**—**	**—**	79	—
	9,499	**1,208**	17,664	902

Non-current liabilities

	2024		2023	
	1 to 5 years £'000	**Later than 5 years £'000**	1 to 5 years £'000	Later than 5 years £'000
Borrowing facilities	**22,470**	**—**	26,439	—
Lease liabilities	**4,864**	**2,312**	4,647	3,100
Other long-term liabilities	**—**	**—**	148	—
	27,334	**2,312**	31,234	3,100

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

28. 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 major assumptions used were as follows:

	2024 % p.a.	2023 % p.a.
Retail price inflation	**2.2**	2.2
Salary increase rate	**2.3**	2.3
Rate of pension increase	**2.2**	2.2
Discount rate at the beginning of the year	**4.16**	3.42
Discount rate at the end of the year	**3.85**	4.16
Increase of social security contribution ceiling	**2.3**	2.3

	2024 Years	2023 Years
Average life expectancies		
Male, 65 years of age at the balance sheet date	**20.9**	20.8
Female, 65 years of age at the balance sheet date	**24.3**	24.2
Male, 45 years of age at the balance sheet date	**41.1**	41.0
Female, 45 years of age at the balance sheet date	**44.9**	44.8

The assets and liabilities in the scheme were as follows:

	2024 £'000	2023 £'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).

The plan assets consist of long-term insurance policies held to cover the German pension obligation. The value of the plan assets is deducted from the value of the pension liability to give a net liability of £8.6m (2023: £7.9m). The basis used to determine the net interest cost is based on the net defined benefit asset or liability and the discount rate as determined by Mercer Deutschland GmbH using the projected unit credit method. The insurance contracts that form the plan assets are valued at fair value by Mercer Deutschland GmbH each year. Mercer Deutschland GmbH value the insurance policies according to contractual arrangements.

Long-term insurance policies that do not qualify as plan assets are recognised as separate investment assets at fair value and represent a reimbursement right as defined by IAS 19. The reimbursement right in accordance with IAS 19 is appropriate as the long-term insurance policies reimburse some or all of the expenditure required to settle the defined benefit obligation. See Note 19 for further details of these investment assets.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

28. Retirement benefit obligations continued

Defined benefit scheme continued

	2024 £'000	2023 £'000
Amounts charged to operating loss		
Current service costs	**121**	134
Amounts included in other finance expenses		
Interest income on plan assets	**(47)**	(40)
Interest on pension scheme	**364**	323
Net charge	**317**	283
Amounts recognised in OCI		
Actual return less expected return on pension scheme assets	**(126)**	12
Experience (losses)/gains arising on scheme liabilities	**(277)**	703
Changes in assumptions underlying the present value of scheme liabilities	**(214)**	(112)
Total amount relating to year	**(617)**	603

The actuarial remeasurement of the pension generates a deferred tax asset of £1.9m (2023: £0.6m), however this is unrecognised in the Group accounts as there is uncertainty over its recoverability.

Movement in assets during the year

	2024 £'000	2023 £'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 £'000	2023 £'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)

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

28. Retirement benefit obligations continued

Changes in the significant actuarial assumptions

The significant actuarial assumptions for the determination of the defined benefit obligation in the sense of IAS 19.144 are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the gross defined benefit liability at 30 June 2024:

	2024		2023	
Discount rate	£'000 Increase to 4.85%	£'000 Decrease to 2.85%	£'000 Increase to 5.16%	£'000 Decrease to 3.16%
(Decrease)/increase in the defined benefit liability	**(1,132)**	**1,298**	(1,108)	1,280

	2024		2023	
Salary growth rate	£'000 Increase to 3.30%	£'000 Decrease to 1.30%	£'000 Increase to 3.30%	£'000 Decrease to 1.3%
Increase/(decrease) in the defined benefit liability	**211**	**(199)**	270	(254)

	2024		2023	
Average life expectancies of males	£'000 Increase of one year	£'000 Decrease of one year	£'000 Increase of one year	£'000 Decrease of one year
Increase/(decrease) in the defined benefit liability	**287**	**(291)**	267	(270)

	2024		2023	
Average life expectancies of females	£'000 Increase of one year	£'000 Decrease of one year	£'000 Increase of one year	£'000 Decrease of one year
Increase/(decrease) in the defined benefit liability	**303**	**(307)**	282	(285)

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

29. 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.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

30. Share-based payments

The Group has an LTIP under which Executive Directors and certain employees may receive an annual provisional award of performance vesting shares.

The 2013 Group LTIP plan was adopted by the Board on 20 March 2013, following consultation with major shareholders. The latest provisional award under this plan was made in November 2021 subject to performance criteria being met.

The equity share issue in October 2023 triggered a clause which ended the 2013 plan. The awards still within their performance cycle were measured on a pro-rata basis and deemed not to vest due to not meeting their performance targets. A period was given for the exercise of previously vested share options, following which any that remained unexercised at this point lapsed.

A new LTIP plan was adopted by the Board on 26 June 2024, following consultation with major shareholders (the "2023 plan").

Performance criteria for awards under the 2023 plan are set by the Remuneration Committee. Vesting is conditional on the satisfaction of performance criteria over a three-year period. The vesting of any share options is subject to a share price threshold. So long as this share price threshold is exceeded, vesting of 70% of the award is subject to EBITDA performance and vesting of 30% of the award is subject to regulatory performance targets.

Award cycles will comprise a performance period of three years. Awards will be forfeited if the employee leaves the Group before the options vest. Awards to the two Executive Directors contain a restriction which means 50% of their awarded options cannot be exercised for at least two years after vesting.

The movement in low-cost options (LTIP awards that have been converted to share options redeemable at par) during the year was as follows:

	2024 Number	2023 Number
Outstanding at the beginning of the year	**14,494,304**	14,465,282
Converted in the year from LTIPs	**—**	29,022
Exercised during the year	**(12,722,785)**	—
Lapsed during the year	**(1,771,519)**	—
Outstanding at the year end	**—**	14,494,304
Exercisable at the year end	**—**	14,494,304

All share options are redeemable at par and have a nominal value of 0.1 pence. The options exercised in the year were at a weighted average share price of £0.02.

Outstanding conditional share options ("LTIPs") provisionally awarded under the LTIP, with a low-cost exercise price, are as follows:

	2024 Number	2023 Number
Outstanding at the beginning of the year	**21,690,000**	26,594,999
Awarded during the year	**25,570,279**	—
Converted to options	**—**	(29,022)
Lapsed during the year	**(21,690,000)**	(4,875,977)
Outstanding at the year end	**25,570,279**	21,690,000

The fair values of LTIP shares conditionally awarded in June 2024 were determined using a Monte Carlo simulation (with 5,000 iterations) that takes into account factors specific to the share incentive plans.

A discount has been applied for lack of marketability to the portion of the awards that would have to be retained for two years after vesting.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

30. Share-based payments continued

The following principal assumptions were used in the valuation:

Date of grant	Exercisable from	Exercisable to	Exercise price (£)	Share price at grant (£)	Risk-free rate	Volatility[1]	Number of awards expected to vest (non-market conditions)	Fair value (£)	Number outstanding
26/06/2024	01/07/2026	26/06/2034	0.001	0.052	4.33%	71%	100%	0.051	25,570,279

1. The Group engaged external consultants Globalview Advisors to calculate the expected volatility. The volatility was calculated by reference to dividend adjusted share prices over a three-year period.

The Group recognised total expenses of £759,000 (2023: £114,000) related to equity-settled share-based payment transactions during the year. If the assumptions underlying the expense were varied, the results would be as follows:

	As reported: (future leavers at 0% p.a. and non-market condition vesting probabilities as above) £'000	Increase in leavers to 10% p.a. £'000	Decrease in leavers to 2% p.a. £'000	Non-market condition vestings decrease by 10% £'000	Non-market condition vestings increase by 10% £'000
Charge to income statement	759	677	n/a	718	n/a
Charge/(credit) to income statement due to sensitivity adjustment	—	(82)	n/a	(41)	n/a

31. Capital commitments

The Group's capital commitments at the end of the financial period, for which no provision has been made, are as follows:

	2024 £'000	2023 £'000
Capital commitments	**2,109**	1,832

Included in the above is £1,659,000 for new plant and machinery in the UK (2023: £1,099,000), £79,000 for IT equipment and systems upgrades (2023: £118,000), £nil for a new Energy Centre and waste compound (2023: £563,000), £nil for ongoing factory refurbishments (2023: £52,000) and £371,000 for new plant and machinery in Spain (2023: £nil).

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

32. Related party transactions and ultimate control

Allergy Therapeutics plc's related parties include its subsidiary companies, its key management and its shareholders. Key management personnel are the Company's Directors, and as such, full disclosure of their remuneration can be found in the Directors' remuneration table on page 52.

In December 2023, a loan of £15,058 was made to Manuel Llobet, a Director of the Company. Interest was charged on the loan at 2.5% p.a. The loan and interest were repaid in full in June 2024.

Details of financing transactions entered into with the Company's shareholders can be found in the financial review section of the strategic report on page 35.

At 30 June 2024, the Company's subsidiary undertakings were:

Subsidiary undertaking	Country of incorporation	Principal activity	Percentage of shares held	Class of shares held
Allergy Therapeutics (Holdings) Ltd	UK	Holding company	100	Ordinary and deferred
Allergy Therapeutics (UK) Ltd	UK	Manufacture and sale of pharmaceutical products	100	Ordinary
Bencard Allergie GmbH	Germany	Sale of pharmaceutical products	100	Ordinary
Bencard Allergie (Austria) GmbH	Austria	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Italia s.r.l	Italy	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Iberica S.L	Spain	Sale of pharmaceutical products	100	Ordinary
Bencard A.G. (name changed from Teomed A.G.)	Switzerland	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Netherlands B.V	Netherlands	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Argentina S.A	Argentina	Marketing of pharmaceutical products	100	Ordinary
Bencard Allergy Therapeutics Unipessoal LDA	Portugal	Sale of pharmaceutical products	100	Ordinary

During the year, there were no trading transactions with related parties that are not members of the Group.

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 the Company. Prior to completion of the £40.75m equity financing, announced on 13 October 2023, there was no single ultimate controlling party.

Notes to the consolidated financial statements continued

for the year ended 30 June 2024

33. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Total borrowings £'000	Lease liabilities £'000	Total liabilities £'000
1 July 2023	**27,087**	**8,902**	**35,989**
Cash flows			
Repayment of bank borrowings	**(733)**	**—**	**(733)**
Repayment of lease liabilities	**—**	**(2,029)**	**(2,029)**
Repayment of shareholder loan	**(4,251)**	**—**	**(4,251)**
Proceeds from bank loans	**514**	**—**	**514**
Proceeds from shareholder loans	**36,575**	**—**	**36,575**
Non-cash			
Additions to right-of-use assets	**—**	**765**	**765**
Interest expense	**3,581**	**295**	**3,876**
Transfer to equity	**(1,314)**	**—**	**(1,314)**
Set-off between shareholder loan and equity subscription	**(38,341)**	**—**	**(38,341)**
Foreign exchange movements	**(18)**	**(45)**	**(63)**
30 June 2024	**23,100**	**7,888**	**30,988**

	Total borrowings £'000	Lease liabilities £'000	Total liabilities £'000
1 July 2022	2,449	8,080	10,529
Cash flows			
Repayment of bank borrowings	(961)	—	(961)
Repayment of lease liabilities	—	(1,425)	(1,425)
Repayment of shareholder loan	(10,409)	—	(10,409)
Proceeds from shareholder loans	36,000	—	36,000
Non-cash			
Additions to right-of-use assets	—	2,247	2,247
Foreign exchange movements	8	—	8
30 June 2023	27,087	8,902	35,989

34. 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.

Company balance sheet

as at 30 June 2024

	Note	30 June 2024 £'000	30 June 2023 £'000
Fixed assets			
Investments	2	**8,093**	7,742
Current assets			
Debtors	3	**10**	14
Total assets		**8,103**	7,756
Creditors: amounts falling due within one year	4	**(4)**	(46)
Net current assets/(liabilities)		**6**	(32)
Total assets less current liabilities		**8,099**	7,710
Net assets		**8,099**	7,710
Capital and reserves			
Called-up share capital	5	**4,776**	689
Share premium account		**154,639**	119,029
Other reserves - share-based payments		**—**	2,906
Other reserves - warrants		**2,315**	412
Profit and loss account		**(153,631)**	(115,326)
Total equity		**8,099**	7,710

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. The Company's loss for the period was £41,561,670 (2023: £6,939,915).

These financial statements were approved by the Board of Directors and authorised for issue on 5 November 2024 and were signed on its behalf by:

Manuel Llobet
Chief Executive Officer
Registered number: 05141592

Dr. Shaun Furlong
Chief Financial Officer

Company statement of changes in equity

for the year ended 30 June 2024

	Issued capital £'000	Share premium £'000	Reserve - share-based payment £'000	Reserve - warrants £'000	Retained earnings £'000	Total equity £'000
At 30 June 2022	654	112,576	2,799	—	(108,393)	7,636
Loss for the year after tax	—	—	—	—	(6,940)	(6,940)
Transactions with owners:						
Share-based payments	—	—	114	—	—	114
Shares issued	35	6,453	—	—	—	6,488
Transfer of lapsed options to retained earnings	—	—	(7)	—	7	—
Warrants issued	—	—	—	412	—	412
At 30 June 2023	689	119,029	2,906	412	(115,326)	7,710
Loss for the year after tax	**—**	**—**	**—**	**—**	**(41,562)**	**(41,562)**
Transactions with owners:						
Share-based payments	**—**	**—**	**351**	**—**	**—**	**351**
Shares issued	**4,087**	**36,672**	**—**	**—**	**—**	**40,759**
Share issue costs	**—**	**(1,062)**	**—**	**—**	**—**	**(1,062)**
Transfer of exercised/lapsed options to retained earnings	**—**	**—**	**(3,257)**	**—**	**3,257**	**—**
Warrants issued	**—**	**—**	**—**	**1,903**	**—**	**1,903**
At 30 June 2024	**4,776**	**154,639**	**—**	**2,315**	**(153,631)**	**8,099**

Notes to the Company financial statements

for the year ended 30 June 2024

1. Accounting policies

Basis of preparation

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The separate financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Allergy Therapeutics plc.

In accordance with section 408 of the Companies Act 2006, no separate income statement has been presented for the Company. The principal accounting policies adopted in the preparation of this financial information are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

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.

Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment. Share-based payments made in respect of the Company's shares to employees of its subsidiaries are reported as an increase in investments.

Intercompany receivables

Receivables including intercompany receivables are financial assets measured at amortised cost in accordance with IFRS 9. See Note 2 of the consolidated financial statements on pages 73 to 78 for more information.

Foreign currencies

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at reporting period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary items are carried at historical cost or translated using the exchange rate at the date of the transaction or a weighted average rate as an approximation where this is not materially different.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Notes to the Company financial statements continued

for the year ended 30 June 2024

1. Accounting policies continued

Employment costs

The Company does not have any employees. All employment costs are dealt with by the Group's subsidiaries. Details of employment costs are detailed on page 82 of the consolidated financial statements.

Share-based payments

Share-based payments made in respect of the Company's shares to employees of its subsidiaries are reported as an increase in investment.

The fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

The expensed value of share options, which have lapsed unexercised, is transferred from the share-based payment reserve to retained earnings.

Full details of the Group's share-based payments are set out in Note 30 of the consolidated financial statements.

Significant judgement and estimates

Investments

Investments in subsidiary undertakings are assessed for indicators of impairment at each balance sheet date. An investment is subject to a formal impairment test, based on indicators arising where the book value of the investment in the parent company's accounts, together with the carrying amount of amounts receivable from the subsidiary undertaking (see 'Intercompany receivables' below), exceed the carrying amount of net assets in the subsidiaries' accounts.

Where there is an indication of impairment, the Company undertakes an impairment test by comparing the recoverable amount of the investment in subsidiary undertakings with the carrying amount. The Directors have based the recoverable amount of the investment in subsidiary undertakings, together with any amounts receivable from the subsidiary undertakings, on the ability of the subsidiary to generate future cash flows and the timing of those cash flows. Impairment losses/reversal of previous impairment losses, where recognised in the year, are included within administrative expenses.

Intercompany receivables

Intercompany receivables are measured at amortised cost and assessed for impairment using the expected credit loss model in accordance with IFRS 9. The receivable is impaired where the book value of the receivable in the parent company's accounts, together with the carrying amount of investments in the subsidiary undertaking, exceed the carrying amount of net assets in the subsidiaries' accounts (less any amount already matched against the carrying value of the intercompany investment). These book values are used as a reasonable approximation of fair value less selling costs of the subsidiary net assets.

2. Investments

At 30 June 2023 and at 30 June 2024.

Cost	Shares in subsidiary undertaking £'000
Investment brought forward	7,742
Additions	351
Investment carried forward	**8,093**

The additions relate to share-based payments in respect of the Company's shares to employees of its subsidiaries.

Investments have been assessed for impairment in accordance with the significant judgement and estimates paragraph above. No impairment was required during the period.

Notes to the Company financial statements continued

for the year ended 30 June 2024

2. Investments continued

At 30 June 2024, the Company's subsidiary undertakings were:

Subsidiary undertaking and registered office address	Country of incorporation	Principal activity	Percentage of shares held	Class of shares held
Allergy Therapeutics (Holdings) Ltd Address: Dominion Way, Worthing, West Sussex, BN14 8SA, UK	UK	Holding company	100	Ordinary and deferred
Allergy Therapeutics (UK) Ltd Address: Dominion Way, Worthing, West Sussex, BN14 8SA, UK	UK	Manufacture and sale of pharmaceutical products	100	Ordinary
Bencard Allergie GmbH Address: Leopoldstraße 175175, 80804 Munich, Germany	Germany	Sale of pharmaceutical products	100	Ordinary
Bencard Allergie (Austria) GmbH Address: Stiftgasse 18/5-6, 1070 Vienna, Austria	Austria	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Italia s.r.l. Address: Via Quattro Novembre, 76, 20019 Settimo Milanese, Milan, Italy	Italy	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Iberica S.L Address: Avda Barcelona, 115, Edificio Brasol, 2ª Planta 08970 Sant Joan Despí, Barcelona, Spain	Spain	Manufacture and sale of pharmaceutical products	100	Ordinary
Bencard A.G. Address: Tumigerstrasse 71, 8606 Greifensee, Switzerland	Switzerland	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Netherlands B.V. Address: Spoetnik 52, 3824 MG Amersfoort, Netherlands	Netherlands	Sale of pharmaceutical products	100	Ordinary
Allergy Therapeutics Argentina S.A. In liquidation	Argentina	Marketing of pharmaceutical products	100	Ordinary
Bencard Allergy Therapeutics Unipessoal LDA Address: Avenida Antonio Augusto de Aguiar, nº 17, 5ª Dto.1050-012	Portugal	Sale of pharmaceutical products	100	Ordinary

Allergy Therapeutics (Holdings) Ltd is fully owned by Allergy Therapeutics plc. All other subsidiary undertakings except Bencard Allergie (Austria) GmbH and Allergy Therapeutics Argentina S.A. are fully owned by Allergy Therapeutics (Holdings) Ltd. Bencard Allergie (Austria) GmbH is fully owned by Bencard Allergie GmbH. Allergy Therapeutics Argentina S.A is owned by Allergy Therapeutics (Holdings) Ltd (95%) and Allergy Therapeutics (UK) Ltd (5%).

Notes to the Company financial statements continued

for the year ended 30 June 2024

3. Debtors

	2024 £'000	2023 £'000
Amounts falling due within one year		
Amount owed by subsidiary undertakings	**—**	—
Other debtors - VAT	**5**	5
Prepayments and accrued income	**5**	9
	10	14

Intercompany debtors have been assessed for impairment. The amount owed by subsidiary undertakings is stated net of provisions of £158,911,334 (2023: £116,877,044).

4. Creditors – amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	**1**	44
Accruals	**3**	2
	4	46

5. Called-up share capital

Full details of the Company's share capital are set out in Note 29 of the consolidated financial statements.

6. Share-based payments

Allergy Therapeutics plc (the 'Company') does not have any employees. All share-based payments are accounted for as a capital contribution in the respective Group employing subsidiary. Full details of the Company's share-based payments are set out in Note 30 of the consolidated financial statements. Share-based payments made in respect of the Company's shares to employees of its subsidiaries are reported as an increase in investment.

7. Directors' emoluments

All Directors are remunerated by other Group companies. Full details of the Company's Directors' emoluments are set out in Note 8, Remuneration of Directors on page 82.

8. Related party transactions

In accordance with the provisions of FRS 101, the Company is exempt from the requirements in IAS 24, Related Party Disclosures to disclose related party transactions entered into between members of a Group, as all parties to the transactions are wholly owned, directly or indirectly by the Company. Details of other related party transactions can be found in Note 32 to the consolidated financial statements.

Glossary

AI	Artificial intelligence
APM	Alternative performance measure
APC	Antigen-presenting cell
CAPM	Capital asset pricing model
CGU	Cash-generating unit
CMC	Chemistry, Manufacturing and Controls
CMDh	Coordination Group for Mutual Recognition and Decentralised Procedures - Human
CODM	Chief Operating Decision Maker
Constant currency	Constant currency uses prior year weighted average exchange rates to translate current year foreign currency denominated revenue to give a year-on-year comparison excluding the effects of foreign exchange movements
CRFD	Climate-related financial disclosures
CSMS	Combined symptom medication score
D, E + I	Diversity, equity and inclusion
EAACI	European Academy of Allergy and Clinical Immunology
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ESG	Environmental, social and governance
FDA	Food and Drug Administration
FRS 101	Financial Reporting Standard 101, Reduced Disclosure Framework
FVTPL	Fair value through profit and loss
GHG	Greenhouse Gas
GKV-Spitzenverband	German national health insurance association
GMP	Good manufacturing practice
GSK	GlaxoSmithKline plc
HCP	Healthcare professional
IAS	International Accounting Standard
IFN-γ	Interferon-gamma
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IgE	Immunoglobulin E
IgG	Immunoglobulin G
INPS	Istituto Nazionale della Previdenza Sociale
KPIs	Key performance indicators
LTIP	Long Term Incentive Plan
MAA	Market authorisation application
MATA	Modified Allergen Tyrosine Adsorbed
MCT	Microcrystalline Tyrosine
MPL	Monophosphoryl Lipid A
NGFS	Network for Greening the Financial System
OCI	Other comprehensive income
PEI	Paul-Ehrlich-Institut
PPE	Property, plant and equipment
QC	Quality control
QCA Code	Quoted Companies Alliance Corporate Governance Code
QMS	Quality management system
RQLQ	Rhinoconjunctivitis Quality of Life Questionnaire
RWE	Real world evidence
SCIT	Subcutaneous immunotherapy
SECR	Streamlined Energy and Carbon Reporting
SID	Senior Independent Director
STEM	Science, Technology, Engineering and Mathematics
TAV	Therapie Allergene Verordnung
TCFD	Taskforce on climate-rekated financial disclosures
VLP	Virus-like particle
WAO	World Allergy Organization

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