Allergy Therapeutics

Imperial peanut allergy biomarker study underway

5 January 2021

- Allergy Therapeutics has initiated an *ex vivo* biomarker study with Imperial College London for its novel VLP-based peanut allergy vaccine candidate. The information generated from this study will be used to support clinical development of the peanut vaccine programme and will establish the starting dose of the first-in-human Phase I study. The IND application will be filed with the FDA in 2021, with the Phase I trial also planned to start this year.
- This study will explore an extensive array of functional and molecular biomarkers using blood samples from peanut allergy patients to evaluate and confirm the hypoallergic potential of the vaccine candidate and the potency of the immune response induced.
- Allergy's peanut allergy vaccine candidate is based on virus-like particle (VLP) technology licenced from Saiba AG and DeepVax and incorporates a single peanut allergen that appears to confer immunity against all peanut allergens. Preclinical data has provided proof of concept for sustained immunity and protection against peanut anaphylaxis through short-course vaccination. If confirmed in the clinic, this would be transformative for patients.
- Peanut allergy is a leading cause of anaphylaxis and is one of the most common food allergies, especially in children. A VLP-based vaccine could induce protective antibodies with a limited number of injections vs current treatment approaches that require daily dosing as a maintenance therapy. These typically involve allergen specific desensitisation, either orally (Nestle/ Aimmune's Palforza) or via transdermal patches.
- In parallel, Allergy and Imperial College have entered into a broader research collaboration to evaluate the relationship between allergy biomarkers and clinical outcomes. Samples taken at baseline and throughout the treatment course from both the current G309 (Grass MATA MPL field study) and the preclinical and clinical peanut allergy programme will be analysed against an extensive set of predetermined biomarkers. Key aims will be to gain a better understanding of the underlying science, to develop an objective validated endpoint vs the more subjective measures commonly used, and to apply any new insights to future clinical trials to help advance Allergy's R&D pipeline.

Trinity Delta view: The start of the biomarker study of Allergy Therapeutics' peanut allergy vaccine candidate represents a step forward for this development programme and should facilitate a smooth transition into Phase I later this year. It is the first VLP-based vaccine in Allergy's portfolio and addresses a sizeable and underserved market. The collaboration with Imperial College is significant as both the peanut allergy biomarker study and the wider collaboration should generate important new insights that can used by Allergy in the design of future allergy immunotherapy clinical trials, mitigating the risks of inconclusive results based on subjective endpoints. Our current £325m (51p/share) SOTP valuation of Allergy Therapeutics includes a DCF of the commercial operations (£87m or 14p/share), a pipeline rNPV (£204m or 32p/share), and net cash.

Price	16.0p
Market Cap	£102.4m
Primary exchange	AIM
Sector	Healthcare
Company Code	AGY
Corporate client	Yes

Company description:

Allergy Therapeutics specialises in the diagnosis and treatment of allergy. The existing European business generates c £80m annual sales. Near-term R&D efforts are focussed on the Pollinex Quattro platform, whilst in the medium-term the VLP platform is highly promising.

Analysts

Lala Gregorek
lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori
fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Lala Gregorek lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at www.fisma.org. TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2021 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org