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Allergy Therapeutics

Development progress

AGY is a long-established specialist in the prevention, diagnosis and treatment of allergies. It has an underlying profitable and cash generative business despite its lead product being available only on a 'Named Patient' basis. However, protocols agreed with EU and US regulators are in place to get Pollinex Quattro approved as a biological. The US opportunity is enormous and only two players have short-course treatments. There is a valuation mis-match between AGY and its peers, which either have no growth or little marketing experience, which provides scope for considerable upside towards our risk-adjusted DCF valuation of 89p per share.

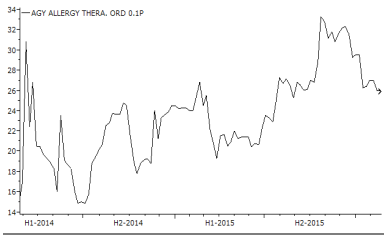
- **Strategy:** AGY is a fully integrated pharmaceutical company focused on the treatment of allergies. There are three parts to its growth strategy: approval of its lead product, particularly in the US; geographical expansion of its product portfolio; active participation in industry consolidation.
- **Newsflow:** AGY has announced very good progress in the second of three clinical trials required for FDA approval as a biologic and a further update is due in the middle of 2016. In addition, the company has licenced-in virus-like particle technology for the development of a new products for peanut allergy.
- **Valuation:** Based on our forecasts for market share gains in the US, our risk adjusted DCF valuation is 89p per share. This upside potential is supported by an apparent mis-match between the value of AGY with its peers, which have either limited growth opportunities or little commercial experience.
- **Risks:** AGY must undertake some additional clinical trials in order to achieve regulatory approval. However, given that protocols have been agreed with both EU and US regulators and that Pollinex Quattro has been used in 200,000 patients to date, the risks have been minimised.
- **Investment summary:** AGY is a very promising opportunity. Not only does it have a profitable and cash generative underlying business, regulatory approval of Pollinex Quattro would be a transformational event. The market is valuing AGY similarly to its low-growth peers suggesting that little or no value is being afforded PQ in the US which, given the FDA trial agreement, is unrealistic.

Financial summary and valuation

Year end June (£m)	2013	2014	2015	2016E	2017E	2018E
Sales	39.28	41.96	43.23	46.06	49.26	53.25
R&D investment	-2.54	-2.96	-3.12	-13.00	-12.00	-10.00
Underlying EBIT	0.85	1.39	2.23	-9.36	-7.61	-4.72
Reported EBIT	0.67	1.21	0.72	-9.86	-7.61	-4.72
Underlying PTP	0.62	1.27	2.16	-9.45	-7.76	-4.91
Statutory PTP	0.43	1.08	0.65	-9.95	-7.76	-4.91
Underlying EPS (p)	0.17	0.20	0.34	-1.72	-1.40	-0.92
Statutory EPS (p)	0.13	0.16	0.02	-1.81	-1.40	-0.92
Net (debt)/cash	0.65	2.25	20.19	18.94	9.42	1.87
Capital increases	0.15	0.00	20.08	11.00	0.25	0.25
P/E (x)	154.4	126.9	76.5	-15.1	-18.6	-28.3
EV/sales (x)	3.1	2.9	2.8	2.6	2.5	2.3

Source: Hardman & Co Research Life Sciences Research

Pharmaceuticals & Biotech



Source: Fidessa

Market data

EPIC/TKR	AGY
Price (p)	26.0
12m High (p)	34.8
12m Low (p)	19.0
Shares (m)	586.9
Mkt Cap (£m)	152.6
EV (£m)	132.4
Free Float*	32%
Market	AIM

**As defined by AIM Rule 26*

Description

AGY provides information to professionals about prevention, diagnosis and treatment of allergic conditions with special focus on allergy vaccination, a successful treatment that deals with the underlying cause and not just the symptoms!

Company information

CEO	Manuel Llobet
CFO	Ian Postlethwaite
Chairman	Peter Jensen
	01483 685 670
	www.allergytherapeutics.com

Key shareholders

Directors	1.0%
Abbott Labs	44.1%
Southern Fox	22.9%
Invesco	5.6%
Odey	5.2%

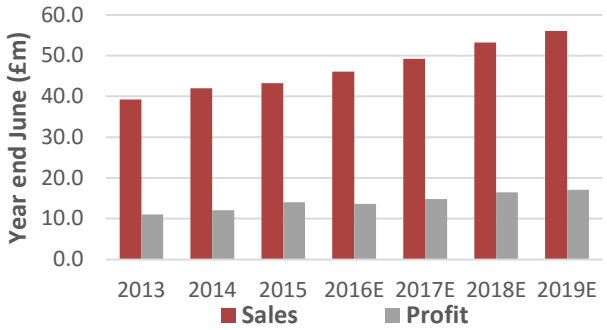
Next event

1 March	Interims
2Q 2016	G204 US dosing trial
Sept 2016	Finals
Nov 2016	AGM

Analysts

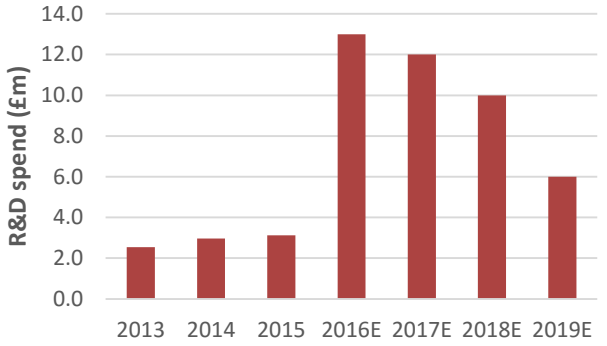
Martin Hall 020 7148 1433
mh@hardmanandco.com

Product analysis



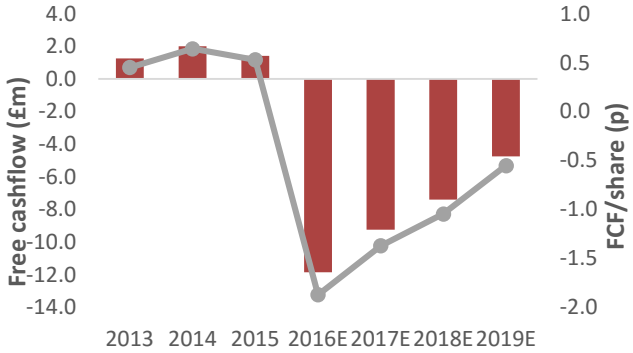
- AGY has a solid existing portfolio of products for allergy immunotherapy
- Products have shown consistent growth over the last four years even though their availability is limited
- After taking account of manufacturing, distribution and marketing costs, in-market products are profitable
- Product margins have risen consistently over the last four years, reaching 32.4% in fiscal 2015

R&D investment



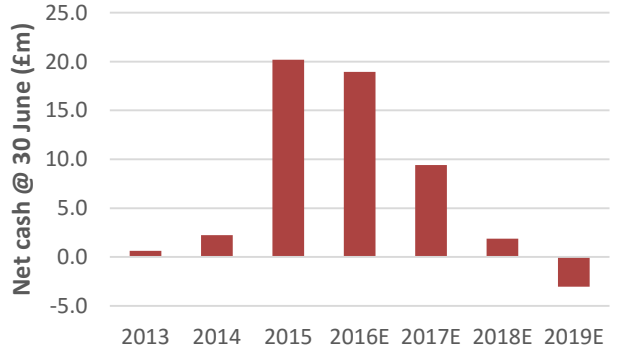
- Cumulative investment in R&D since 2000 has been £80m
- R&D investment is forecast to rise substantially to get Pollinex Quattro onto the market in the US and formally approved in Europe
- Three key US trials will cost ca.£20m over the next three years, but will pave the way to FDA approval
- Smaller trials are required for EU approval, with Germany being the lead country

Free cashflow



- In each of the last three years, AGY has generated free cashflow from operations
- Considerable investment in R&D and marketing will result in two years' of cash burn
- Cash requirement towards the end of this decade will be dependent on commercialisation strategy in US
- In following the inorganic growth strategy, although acquisitions tend to be small, more cash could be required

Net cash



- AGY has consistently generated cash over the last three years, even after R&D investment
- £20m was raised in March 2015 largely to fund the key US trials
- The net cash position is not expected to reach zero prior to launch of Pollinex Quattro in the US
- Should management decide to commercialise Pollinex Quattro in the US by itself, AGY will require working capital for investment in sales infrastructure

Source: Company data; Hardman & Co Research Life Sciences Research

Pollinex Quattro

US trial update

The pathway for regulatory approval of GrassMATAMPL in the US has been clarified…

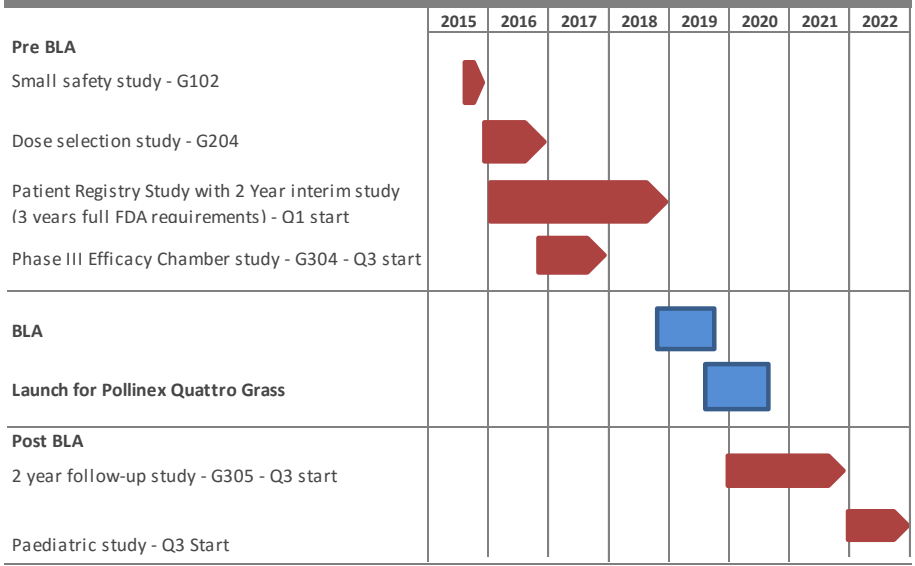
Over the last two years, the regulatory position regarding Pollinex Quattro, reformulated and referred to as GrassMATAMPL (GMM) in the US, has been clarified in both Europe and the US, providing the company with a clear pathway that will lead to regulatory approval.

The product being developed as a short-course subcutaneous immunotherapy (SCIT) in the US is GrassMATAMPL, which is a grass allergen extract that has been chemically modified to form a standardised allergen, known as an 'Allergoid' (see page 14 of our initiation note on Allergy Therapeutics, dated 21st October 2015). This is then bound to microcrystalline tyrosine (MCT) and combined with the adjuvant monophosphoryl lipid A (MPL), thereby allowing a reduction in allergenicity whilst maintaining the immunogenicity.

…with three trials required by the FDA

Following discussions with the FDA, Allergy Therapeutics is required to perform three clinical trials investigating safety, dose and an efficacy chamber study. In addition, the company is required to undertake three other studies – Patient Registry, 2-year follow-up study and a paediatric study – but the results of these are not required for the regulatory submission. Details of the timetable are provided in the following graphic and the total cost is expected to be in the region of $31m/£20m, funding for which was satisfied by a share placing in 2015

US clinical trial timetable



Source: Allergy Therapeutics; Hardman & Co Life Sciences Research

G102 – Safety study

The G102 safety study was concluded rapidly in 4Q 2015…

First, AGY was required to perform a small safety study with GrassMATAMPL in 40 patients. The aim of this trial was to compare two doses of GMM with placebo. This study commenced in September 2015, was expected to run for 3-4 weeks and scheduled to report in 1Q 2016. However, the trial was completed successfully ahead of schedule and demonstrated the safety of two new doses of GMM, allowing Allergy Therapeutics to move on to the second trial in early December 2015.

G204 – Dose selection study

...and G204 is fully recruited already

This double-blind placebo-controlled study started to recruit in early December 2015 with the aim of recruiting about 250 patients. It was expected to run for 4-5 months and report in June/July 2016. The trial is comparing 1-fold, 2-fold and 4-fold doses of GMM against placebo. The aim of this study is to obtain a significant (minimum 20%) reduction in symptoms, which would be the equivalent response to daily doses of steroids. This study is considered by management to be very important in the eyes of the regulators.

Progress has been rapid such that the trial is already fully recruited. Patients are spending three hours over four consecutive days in a mobile environment chamber which exposes them to a steady concentration of pollen while keeping all other environmental factors constant. This has a number of important features:

- Constant exposure to grass pollen will provide better adherence to the protocol and improved control compared to field studies
- Directly comparable and reliable data points
- The study can be performed out of season and hence speed up the trial

Use of a controlled environment is a significant advantage

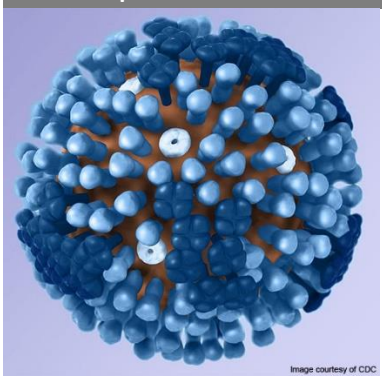
Use of the controlled environmental chamber means that the trial is on schedule to report around the end of June 2016 even though it is not presently the season for grass pollen. It is also providing the company with important experience ahead of the much larger phase III efficacy study (G304) which will be performed using the same equipment.

Conclusion

Results are due middle of 2016

The company is making really good progress towards completing the US clinical trials required to get GMM approved by the FDA as a biological short-course SCIT. A further update is likely in the middle of 2016 on the publication of the results from study G204.

Virus-like particles



Source: Image courtesy of CDC

Virus-like particles

Background

An ideal vaccine for allergen desensitization should be highly immunogenic and should alleviate allergic symptoms with just a few injections. Such a vaccine was described for the treatment of cat allergy a few years ago where the major cat allergen (Fel d1) was coupled to bacteriophage virus like particles (VLPs), which was found to be an effective and safe treatment[1]. Virus-like particles (VLPs) are useful in the development of vaccines because they look exactly like viruses, but do not contain any viral genetic material (DNA). Therefore, they can activate a strong immune response without the causing any infection, which makes them an important tool in the generation of vaccines. VLPs contain a high density of surface proteins which can elicit strong T-cell and B-cell immune responses and this reaction has been used to develop FDA approved vaccines for hepatitis B (Recombivax, Merck & Co) and human papillomavirus (HPV; Cervarix, GlaxoSmithKline).

Positioning of Allergy Therapeutics

AGY is well positioned in the allergy vaccines market for subcutaneous immunotherapy (SCIT), where allergic patients receive a number of injections over a prolonged period of time to desensitize them from various allergies. Moreover, AGY, with Pollinex Quattro, has the only short course – four injections over three weeks – SCIT available on the market, albeit on a 'Named Patient' basis only in Europe. The opportunity is get obtain full regulatory approval as a biologic in both the US and Europe.

Pollinex Quattro and GMM are targeted at grass pollen...

Pollinex Quattro and GMM are targeted at patients with allergies to grass pollen. At a slightly earlier stage in the clinical development process, trials against tree allergies are being undertaken. In contrast, the primary target of its closest competitor in the short-course SCIT market, Circassia, is cat, although it is also developing a vaccine against grass pollen. A big gap in their respective portfolios is a vaccine against one of the most common allergens, peanuts. To counter this, in November 2015, AGY purchased a licence for access to VLP technology for use in the treatment of peanut allergy.

...whereas the VPLP technology moves AGY into food allergies

Peanut allergy

Peanut allergy has emerged over the last 40 years and it is thought that there are an estimated 2-3 million children in the US alone that are allergic to peanuts and is the number one cause of death from food reactions[2].

Peanut allergy is a major problem resulting in a number of fatalities each year

Barely recognised 50 years ago, there is a train of thought that the rise of peanut allergy in children may be directly related to the use peanut oil as an adjuvant in childhood vaccines, which was added to promote the immune response. Indeed, historically, it became a preferred excipient in pharmaceutical vaccines from the 1980s, which coincided with a dramatic increase in the schedule of vaccinations in children[3]:

[1] Schmitz et al. 2009 Displaying Fel d1 on virus-like particles prevents reactogenicity despite greatly enhanced immunogenicity: a novel therapy for cat allergy. Journal of Experimental Medicine, 206, 1941-1955.

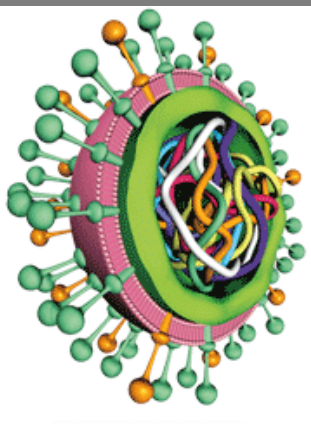
[2] The Peanut allergy epidemic. Fraser, H. Skyhorse 2011.

[3] www.thedoctorwithin.com

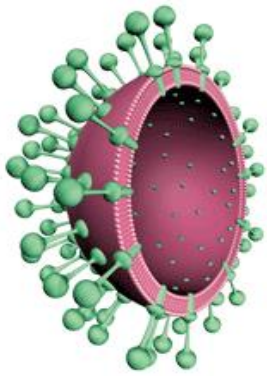
- 1980 – 20 vaccines
- 1995 – 40 vaccines
- 2011 – 68 vaccines

As the use of vaccines has more than trebled, so has the incidence of peanut sensitivity in children.

Virus-like particles



Virus containing DNA



Virus-like particle

Source: Medicago

Next generation vaccines

Fighting viruses with their own weaponry is not an entirely new approach. However, it is the simple and successful discovery that virus-like particles resemble and mimic the structure of authentic viruses without causing any infection. Being devoid of any genetic material, they have the potential to elicit a strong immune response without doing any harm. Consequently, this technology is being embraced by vaccine companies with open arms, as it allows them to produce large amounts of cost effective vaccine within a reasonable timeframe.

To quote the business development manager of Medicago, a Canadian biotechnology firm specialising in VLP-based vaccines:

> *"….VLP represents one of the most exciting emerging vaccine technologies for generating effective and long-lasting protection…."*

Source: www.medicago.com

The virus-like particles consist of protein sells that are studded with short strands of the proteins specific to the allergen or disease that the vaccine is intended to control. They look like a virus to the body's immune system and, once sensitised, can be readily recognised. However, unlike a real virus, being without any genetic material, they are unable to replicate. As such, they represent an ideal approach for a vaccine.

Next steps

AGY intends develop Polyvac peanut using VLP technology. It is expected to start proof-of-concept studies in 2016 which are likely to take about three years. Then it will enter Phase I trials.

Competition

Several biotechnology companies are using this approach for vaccines against a number of viruses, but few seem to being active in developing short-course SCITs. Because they are able to be made relatively quickly, companies are focusing on diseases where a raid response might be required, such as influenza and Ebola.

Companies developing VLP-based vaccines

Company	Technology	Targets
GeoVax	*In-vivo* VLP	Ebola/HIV
Medicago	Proficia platform	Influenza
Novavax	VLP technology	Influenza
VLPbio	Chimeric Q-VLP platform	-
VLP Biotech Inc	WHcAG VLP platform	-
VLP Therapeutics	Inserted alphavirus VLP (i-aVLP)	Cancer/infectious diseases

Source: Company reports; Hardman & Co Life Sciences Research

Financial update

No changes to forecasts...other than allowing for the capital increase in December 2015

Profit & Loss

- There have not been any changes to our operating forecasts since publication of our initiation note on 21st October 2015
- On 17th November 2015, Allergy Therapeutics raise gross funds of £11.5m (£11.0m net) through a Placing of 41.0m shares at 28p per share
- EPS forecasts have been adjusted to reflect this share issue, with forecast EPS losses changing from -1.81p to -1.72p
- Forecasts are sensitive to currency. Most trading activities are priced in €uros which has been detrimental in 1H 2016, but has stabilised recently. Cash raised in 2015 to fund the US clinical trial programme is held on deposit in USD. We will update forecasts following publication of interim results on 8th March

Profit & Loss account

Year end June (£m)	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Sales	**39.28**	**41.96**	**43.23**	**46.06**	**49.26**	**53.25**	**56.05**	**91.51**
COGS	-11.95	-11.95	-12.18	28.00	-14.86	-15.85	-16.58	-21.94
Gross profit	**27.33**	**30.00**	**31.05**	**74.06**	**34.40**	**37.39**	**39.48**	**69.57**
Marketing	-16.28	-17.92	-17.06	-18.41	-19.59	-20.91	-22.40	-37.48
Product profit	**11.05**	**12.08**	**13.99**	**13.62**	**14.81**	**16.49**	**17.08**	**32.09**
Product margin	28.1%	28.8%	32.4%	29.6%	30.1%	31.0%	30.5%	35.1%
G&A	-7.66	-7.80	-8.71	-9.97	-10.42	-11.21	-12.03	-15.97
R&D	-2.54	-2.96	-3.12	-13.00	-12.00	-10.00	-6.00	-8.00
EBITDA	2.19	2.68	3.52	-8.06	-6.32	-3.43	0.34	9.41
Deprec & Amortis	-1.34	-1.29	-1.29	-1.29	-1.29	-1.29	-1.29	-1.29
Other income	0.00	0.08	0.07	0.00	0.00	0.00	0.00	0.00
Underlying EBIT	**0.85**	**1.39**	**2.23**	**-9.36**	**-7.61**	**-4.72**	**-0.95**	**8.12**
Share based costs	-0.18	-0.18	-0.41	-0.50	0.00	0.00	0.00	0.00
Exceptional items	0.00	0.00	-1.10	0.00	0.00	0.00	0.00	0.00
Statutory Operating profit	0.67	1.21	0.72	-9.86	-7.61	-4.72	-0.95	8.12
Net financial income	-0.24	-0.13	-0.07	-0.09	-0.15	-0.19	-0.19	-0.19
Pre-tax profit	**0.62**	**1.27**	**2.16**	**-9.45**	**-7.76**	**-4.91**	**-1.14**	**7.92**
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reported pre-tax	0.43	1.08	0.65	-9.95	-7.76	-4.91	-1.14	7.92
Reported taxation	0.10	-0.34	-0.55	-0.40	-0.44	-0.48	-0.53	-0.48
Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Underlying net income	**0.72**	**0.92**	**1.61**	**-9.85**	**-8.20**	**-5.40**	**-1.67**	**7.45**
Statutory net income	0.54	0.74	0.11	-10.35	-8.20	-5.40	-1.67	7.45
Period-end shares in issue (m)	409.9	451.5	545.8	586.9	586.9	586.9	586.9	586.9
Weighted average shares (m)	427.0	451.5	475.2	571.9	586.9	586.9	586.9	586.9
Fully diluted shares (m)	445.7	471.5	498.2	596.9	614.9	619.9	624.9	632.9
Underlying Basic EPS (p)	**0.17**	**0.20**	**0.34**	**-1.72**	**-1.40**	**-0.92**	**-0.28**	**1.27**
U/l Fully-diluted EPS (p)	**0.16**	**0.20**	**0.32**	**-1.65**	**-1.33**	**-0.87**	**-0.27**	**1.18**
Statutory Basic EPS (p)	0.13	0.16	0.02	-1.81	-1.40	-0.92	-0.28	1.27
Stat. Fully-diluted EPS (p)	0.12	0.16	0.02	-1.73	-1.33	-0.87	-0.27	1.18
DPS (p)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Hardman & Co Life Sciences Research

Balance sheet

- Net £11.0m form the share placing in November 2015 has been included in these forecasts
- The net cash position is now forecast to be £18.9m at the end of June 2016, about 50% of which will be on deposit in US$
- Based on our current forecasts, Allergy Therapeutics remains net cash positive until the end of fiscal 2020
- Our risk adjusted NPV for the company has decreased from 93p per share to 89p per share taking into account the increased number of shares in issue following the Placing

Balance sheet								
@ 30th June (£m)	**2013**	**2014**	**2015**	**2016E**	**2017E**	**2018E**	**2019E**	**2020E**
Shareholders' funds	14.67	15.08	34.47	24.12	15.92	10.53	8.85	16.30
Cumulated goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total equity	14.67	15.08	34.47	24.12	15.92	10.53	8.85	16.30
Share capital	0.42	0.42	0.56	0.56	0.56	0.56	0.56	0.56
Reserves	14.25	14.66	33.91	23.56	15.37	9.97	8.30	15.75
Capitalised R&D	15.17	10.83	9.43	18.31	25.37	29.44	28.98	29.78
Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	0.30	0.22	0.21	0.21	0.21	0.21	0.21	0.21
Deferred tax	-0.04	-0.04	0.30	0.30	0.30	0.30	0.30	0.30
Long-term loans	0.00	0.07	1.55	1.55	1.55	1.55	1.55	1.55
Bank overdrafts	0.61	0.05	0.25	0.25	0.75	8.30	13.20	20.02
less: Cash & securities	1.26	2.03	21.20	19.95	10.93	10.93	10.93	10.93
less: Marketable securities	0.00	0.35	0.78	0.78	0.78	0.78	0.78	0.78
less: Non-core investments	3.06	3.21	3.16	3.16	3.16	3.16	3.16	3.16
Invested capital	**32.61**	**27.04**	**27.81**	**27.60**	**35.98**	**42.20**	**44.96**	**60.03**
Fixed assets	7.34	7.03	8.75	8.88	9.07	9.33	9.83	11.09
Intangible assets	1.35	1.29	2.02	1.74	1.46	1.18	0.90	0.62
Capitalised R&D	15.17	10.83	9.43	18.31	25.37	29.44	28.98	29.78
Goodwill	2.56	2.48	2.98	2.98	2.98	2.98	2.98	2.98
Stocks	6.01	6.47	6.75	6.89	7.07	7.64	8.04	13.13
Trade debtors	3.13	2.76	2.84	3.03	3.24	3.50	5.55	14.61
Other debtors	4.06	2.61	2.22	2.22	2.22	2.22	2.22	2.22
Trade creditors	-3.05	-2.46	-3.05	-3.25	-3.48	-3.76	-7.68	-17.85
Tax liability	-0.54	-0.59	-0.59	-0.59	-0.59	-0.59	-0.48	-0.53
Other creditors	-3.42	-3.37	-3.53	-12.61	-11.36	-9.73	-5.36	4.00
Debtors less creditors	0.18	-1.06	-2.11	-11.21	-9.97	-8.36	-5.76	2.45
Invested capital	**32.61**	**27.04**	**27.81**	**27.60**	**35.98**	**42.20**	**44.96**	**60.03**
Net cash/(debt)	0.65	2.25	20.19	18.94	9.42	1.87	-3.03	-9.85
Net debt/equity (%)	4%	15%	59%	79%	59%	18%	-34%	-60%
After-tax ROIC	3%	5%	7%	-35%	-22%	-12%	-3%	13%
Net asset value/share (p)	3.44	3.34	7.25	4.22	2.71	1.79	1.51	2.78
Stock days	193	191	198	172	171	166	164	168
Debtor days	29	26	24	23	23	23	29	40
Creditor days	86	84	83	82	83	83	126	212

Source: Hardman & Co Life Sciences Research

Cahflow

- The incremental increase (ca.£9-10m estimate) in R&D investment in 2016 and 2017 drops straight through the cashflow statement
- The issue of 40.0m shares at 28p, raising £11.0m of net cash is included in the cashflow statement under share issues
- Forecasts do not include any up-front payment for the VLP licence which was not disclosed

Cashflow

Year end June (£m)	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Trading profit	0.85	1.39	2.23	-9.36	-7.61	-4.72	-0.95	8.12
Depreciation	0.97	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Amortisation	0.37	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Stocks	0.77	-0.63	-0.42	-0.14	-0.18	-0.57	-0.40	-5.09
Working capital	-1.42	0.78	0.63	-2.00	-1.00	-1.50	-2.50	-8.00
Exceptionals/provisions	0.00	0.00	-1.10	0.00	0.00	0.00	0.00	0.00
Disposals	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.08	0.14	0.29	0.00	0.00	0.00	0.00	0.00
Company op cashflow	**2.23**	**2.97**	**2.92**	**-10.20**	**-7.50**	**-5.50**	**-2.56**	**-3.68**
Net interest	-0.19	-0.03	-0.24	-0.09	-0.15	-0.19	-0.19	-0.19
Tax	-0.11	-0.05	-0.17	-0.40	-0.40	-0.44	-0.48	-0.53
Operational cashflow	1.92	2.89	2.51	-10.70	-8.04	-6.13	-3.23	-4.40
Capital Expenditure	-0.66	-0.90	-1.09	-1.15	-1.20	-1.26	-1.52	-2.27
Capitalised R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free cashflow	**1.26**	**2.00**	**1.42**	**-11.84**	**-9.24**	**-7.40**	**-4.75**	**-6.67**
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisitions	-0.16	-0.02	-2.67	-0.10	-0.23	-0.10	-0.10	-0.10
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other investments	-0.36	-0.28	-0.28	-0.30	-0.30	-0.30	-0.30	-0.30
Cashflow after investments	**0.75**	**1.69**	**-1.52**	**-12.24**	**-9.77**	**-7.80**	**-5.15**	**-7.07**
Share repurchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share issues	0.15	0.00	20.08	11.00	0.25	0.25	0.25	0.25
Currency effect	0.05	-0.08	-0.25	0.00	0.00	0.00	0.00	0.00
Borrowings acquired	0.00	0.00	-0.37	0.00	0.00	0.00	0.00	0.00
Change in net debt	**0.95**	**1.61**	**17.93**	**-1.24**	**-9.52**	**-7.55**	**-4.90**	**-6.82**
Hardman cashflow/share (p)	0.45	0.64	0.53	-1.85	-1.37	-1.04	-0.55	-0.75
Opening net cash	-0.30	0.64	2.26	20.19	18.94	9.42	1.88	-3.02
Closing net cash	**0.64**	**2.26**	**20.19**	**18.94**	**9.42**	**1.88**	**-3.02**	**-9.85**

Source: Hardman & Co Life Sciences Research

Glossary

Allergoid	Chemically modified allergens which have reduced allogenicity whilst maintaining immunogenicity
GMM	GrassMATAMPL
MCT	Microcrystalline tyrosine
MPL	The adjuvant monophosphoryl lipid A
SCIT	Subcutaneous immunotherapy
VLP	Virus-like particles

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Hardman & Co Research Limited (trading as Hardman & Co)
11/12 Tokenhouse Yard
London
EC2R 7AS
T +44 (0) 207 929 3399

Follow us on Twitter @HardmanandCo

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Hardman Team

Management Team

+44 (0)20 7929 3399

John Holmes	jh@hardmanandco.com	+44 (0)207 148 0543	Chairman
Keith Hiscock	kh@hardmanandco.com	+44 (0)207 148 0544	CEO

Marketing / Investor Engagement

+44 (0)20 7929 3399

Richard Angus	ra@hardmanandco.com	+44 (0)207 148 0548	
Max Davey	md@hardmanandco.com	+44 (0)207 148 0540	
Neil Pidgeon	nrp@hardmanandco.com	+44 (0)207 148 0546	

Analysts

+44 (0)20 7929 3399

Agriculture		**Bonds**	
Doug Hawkins	dh@hardmanandco.com	Brian Moretta	bm@hardmanandco.com
Yingheng Chen	yc@hardmanandco.com		
Meghan Sapp	ms@hardmanandco.com		
Building & Construction		**Consumer & Leisure**	
Tony Williams	tw@hardmanandco.com	Mike Foster	mf@hardmanandco.com
Mike Foster	mf@hardmanandco.com	Steve Clapham	sc@hardmanandco.com
Financials		**Life Sciences**	
Brian Moretta	bm@hardmanandco.com	Martin Hall	mh@hardmanandco.com
Media		**Mining**	
Derek Terrington	dt@hardmanandco.com	Ian Falconer	if@hardmanandco.com
Oil & Gas		**Property**	
Stephen Thomas	st@hardmanandco.com	Mike Foster	mf@hardmanandco.com
Mark Parfitt	mp@hardmanandco.com		
Services		**Social Impact**	
Mike Foster	mf@hardmanandco.com	Mike Foster	mf@hardmanandco.com
Special Situations		**Technology**	
Steve Clapham	sc@hardmanandco.com	Mike Foster	mf@hardmanandco.com
Paul Singer	ps@hardmanandco.com		

Hardman & Co

11/12 Tokenhouse Yard
London
EC2R 7AS
United Kingdom

Tel: +44(0)20 7929 3399
Fax: +44(0)20 7929 3377

www.hardmanandco.com