

Stallergenes Greer H1 2016 Results

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FORWARD-LOOKING STATEMENT

This document (including information incorporated by reference in this document), oral statements made and other information published by the company contain statements that are or may be forward-looking with respect to the financial condition and/or results of operations and businesses of the Company.

These statements can be identified by the use of forward-looking terminology such as 'believe,' 'expects,' 'project,' 'estimated,' 'forecast,' 'should,' 'plan,' 'may' or the negative of any of these, or other variations thereof, or comparable terminology indicating expectations or beliefs concerning future events. These forward-looking statements include risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Without being exhaustive, such factors include economic situations and business conditions, including legal and product evaluation issues, fluctuations in currencies and demand, and changes in competitive factors. Actual results may differ from those set forth in the forward-looking statements, due to various factors. Save as required by applicable law, neither the Company nor any other person assumes any obligation to update these forward-looking statements or to notify any person of any such update.

AGENDA

H1 2016
Financials

EU / Int'l
RESTART

US
Update

Outlook

H1 2016 KEY HIGHLIGHTS

Ongoing transformation to capitalize on mid to long-term opportunities

- Relaunch of Staloral and Oralair in EU & International
- EU & International Oralair market share significantly decreased and is below last year, however, since the relaunch in March 2016 Oralair has gained a 10 point share
- Strong performance in US allergen business and share gain in US Oralair market share
- Launch of Actair in Japan with our partner Shionogi
- Completed Actair launch readiness activities in Australia for July 2016 launch
- House Dust Mite tablet Phase III clinical trial for Allergic Rhinitis – ongoing and patient enrollment on track
- Completed four ANSM inspections and two FDA GMP inspections since November 2015
- Implemented cost management measures across functions including right-sizing of our global footprint

€M	Unaudited	Pro forma	
	H1 2016	H1 2015	H2 2015
Net Sales	78.0	183.7	89.2
EBIT	(58.5)	43.0	(74.8)
Net profit/(loss)	(39.0)	28.6	(37.4)

AGENDA

H1 2016
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EU / Int'l
RESTART

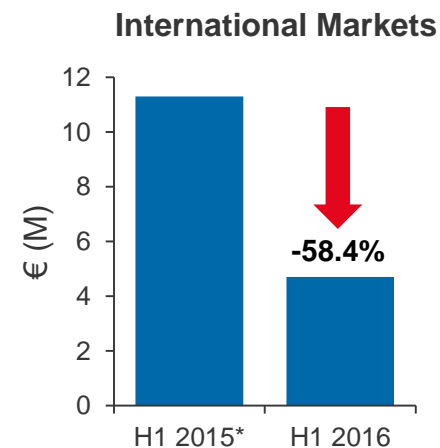
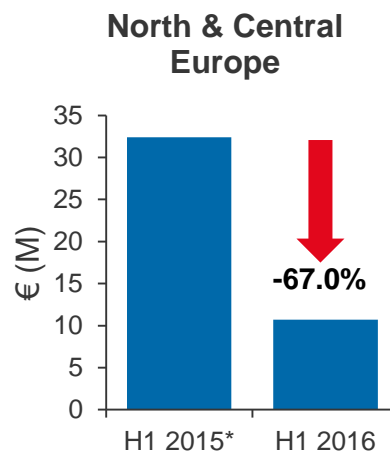
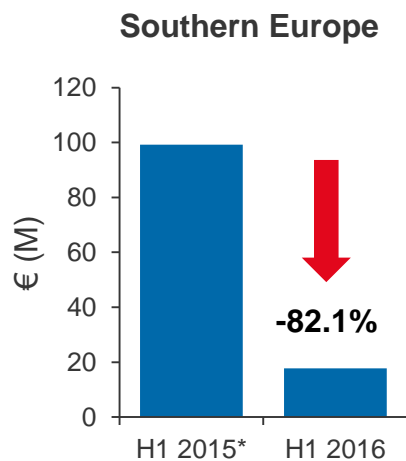
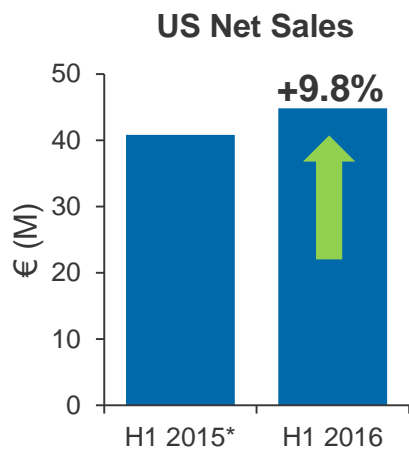
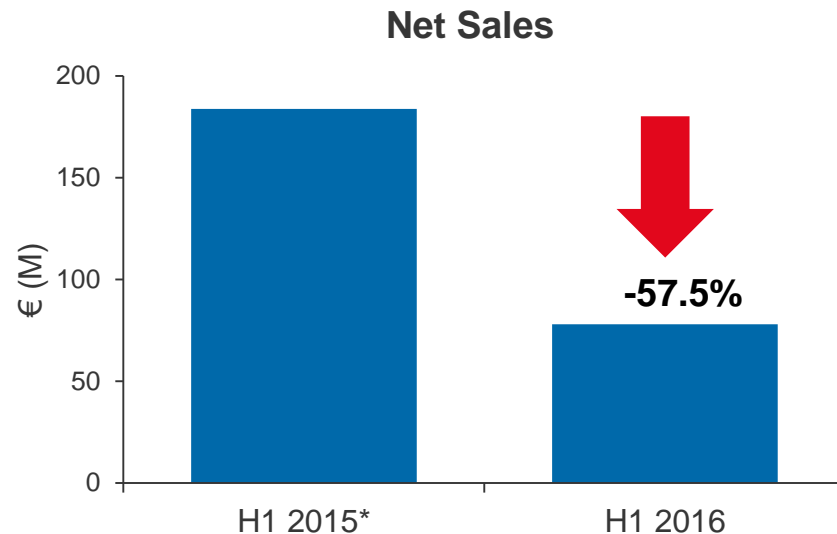
US
Update

Outlook

H1 2016 PERFORMANCE WAS SIGNIFICANTLY IMPACTED BY H2 2015 TECHNICAL ISSUES...

H1 2016 NET SALES

- H1 2016 net sales declined 57.5% compared to H1 2015 unaudited pro forma due to the temporary suspension of production and distribution in Antony in December 2015
- Gradual ramp-up began in Q2 2016
- The partial miss of the start of the prescription seasons as well as the time needed to re-build our patient pool impacted performance during the reported period
- Sales in Europe & International are anticipated to improve during H2 2016
- Sales in Europe & International are anticipated to improve during H2 2016
- Solid growth in the US, Oralair gaining market share: TRx 17% / NRx 20%

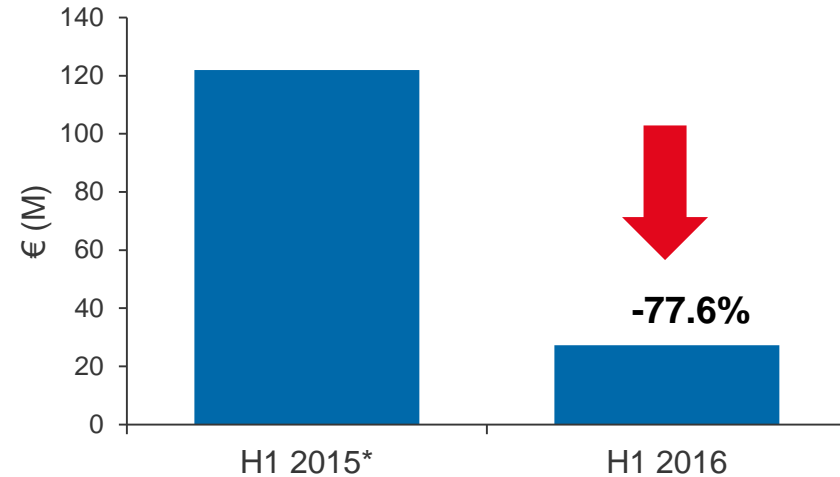


...WITH A DECLINE IN SUBLINGUAL AND SUBCUTANEOUS SALES VERSUS 2015

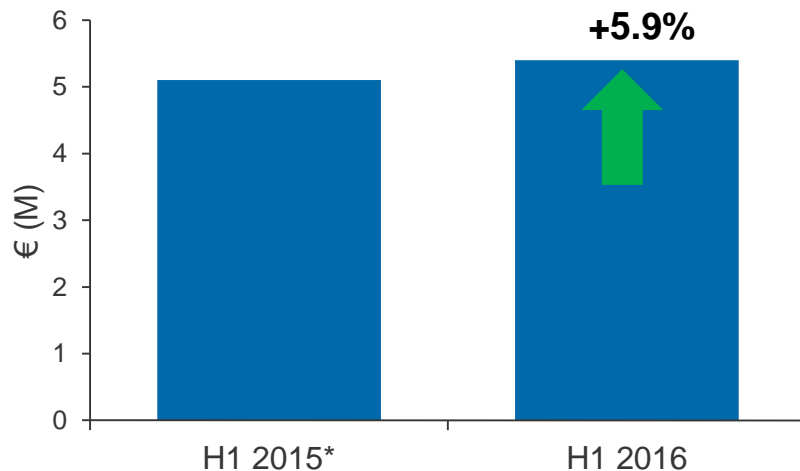
H1 2016 NET SALES BY PRODUCT CATEGORY

- Sublingual continued to be the product category most impacted by the temporary suspension due to its historical dominant sales performance. Sales expected to accelerate with the start of the new prescription season in autumn 2016
- Strong US allergen extract business mitigated the decreased subcutaneous sales in EU/Int'l. Production and distribution of Alyostal venom has resumed in EU/Int'l following last year's temporary suspension. Availability of other key products planned for Q3 2016 and full portfolio available in Q4 2016
- Veterinary sales continued positive trend to emerge as a promising new product category

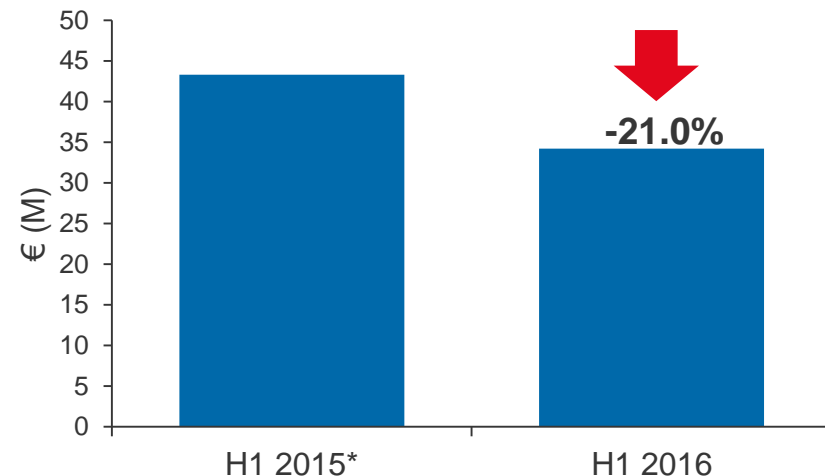
Sublingual Sales



Veterinary Sales



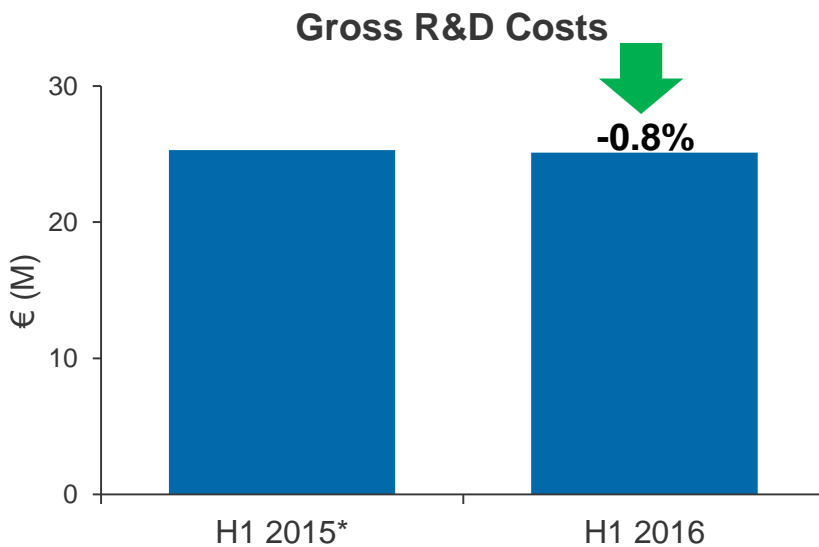
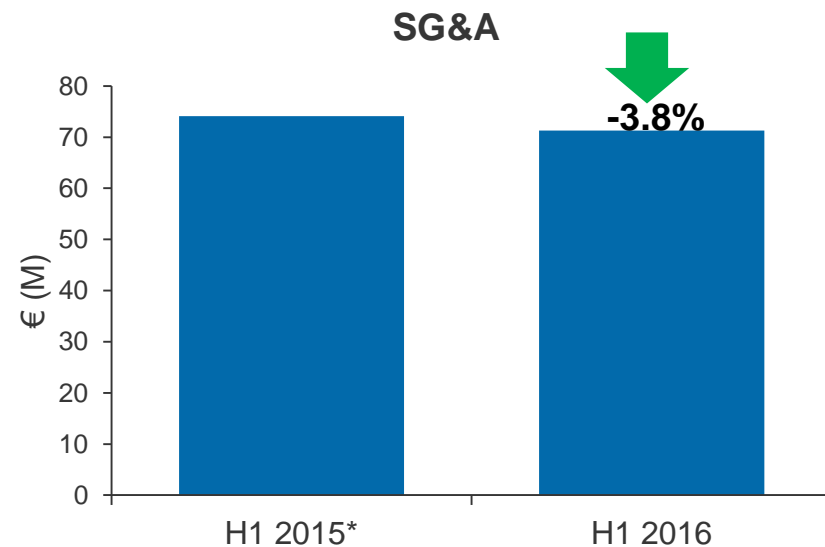
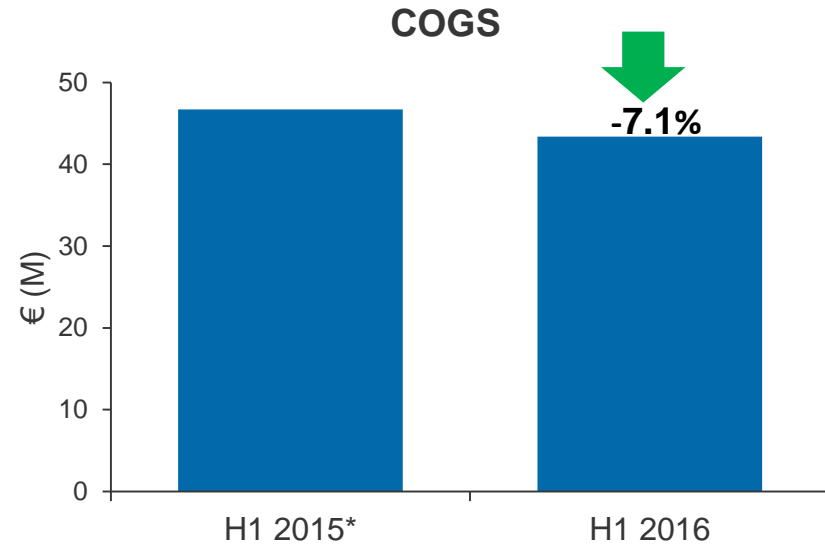
Subcutaneous Sales



FOCUS ON COST MANAGEMENT– MORE REDUCTION IN H2 2016 EXPECTED

H1 2016 COST MANAGEMENT HIGHLIGHTS

- Decrease in COGS but not in relation to sales due to a high proportion of fixed costs
- SG&A costs included a significant decrease in EU/Int'l which was offset by investment in US Oralair and the new global leadership structure (plc)
- Decrease in R&D costs in H1 2016 including costs related to Phase III House Dust Mite Allergic Rhinitis study
- Ongoing cost management initiatives expected to lead to a further reduction in H2 2016



DOWNSIDE IN SALES LED TO DECREASE IN CASH AND CASH EQUIVALENTS

KEY BALANCE SHEET INDICATORS

- Cash and cash equivalents of €85M at June 30, 2016 down from €150M at December 31, 2015
- Total debt of €15.6M at June 30, 2016 down from €17.7M at December 31, 2015
- Total net assets of €494M at June 30, 2016 down from €540M at December 31, 2015

FREE CASH FLOW EVOLUTION

- Net cash flow from operations of -€50M at June 30, 2016
- Capex -€9M
- Net change in cash and cash equivalents -€65M

AGENDA

H1 2016
Financials

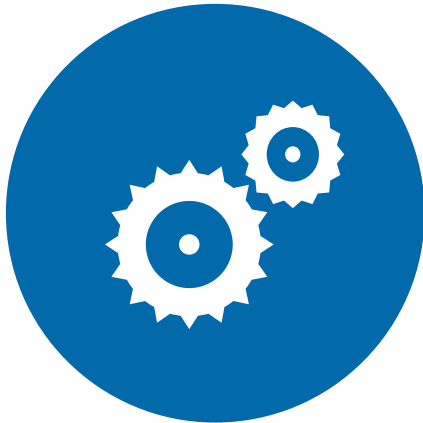
EU / Int'l
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RESTART PROGRAM IS DELIVERING

Restart Stallergenes Greer After Revalidation Task



**TECHNICAL
OPERATIONS**



COMMERCIAL



MEDICAL

RESTART PROGRAM UPDATE

TECHNICAL OPERATIONS: PRODUCT PORTFOLIO HAS BEEN OPTIMIZED

Product Portfolio optimisation guiding principles



- New allergen mixing standards established and aligned with Health authorities/Scientific societies/KOLs:
 - Fixed % and limited number of allergens in single vial
 - Mixed allergen vials to follow compatibility standards and rules
- Portfolio optimisation resulting in reduced logistical and manufacturing complexity, increased speed to market and improved margins
- Average delivery lead time below our 2 weeks target at 8 days YTD
- Four ANSM inspections and two FDA GMP inspections completed since November 2015

RESTART PROGRAM UPDATE



**COMMERCIAL / MEDICAL: REFERENCES AVAILABLE TO DATE:
>70% OF 2014 SALES**

- Communicated our supply readiness and product quality to HCPs and patients (distributed >370K letters to HCPs and >200K letters to patients)
- Introduced new physician target and call plan: 70% of newly targeted physicians have restarted STAGR products
- New patient enrollment in June 2016 was at 70% of 2015 (France)
- Rebuilding positive image of Stallergenes Greer through successful external communication: recognized as one of the top two AIT companies based on survey* conducted at 2016 EAACI congress
- Launched online tool www.stallergenesgreer-product-update.com/ to enable prescribers to see country specific product availability

1



2

Oralair

Re-launched in 23 countries

Staloral

Top 14 references

Re-launched in 21 countries

Actair

Launched in Australia and Japan

Alyostal

SPT

Re-launched in France

Alyostal Albey

venom

Re-launched in 8 countries

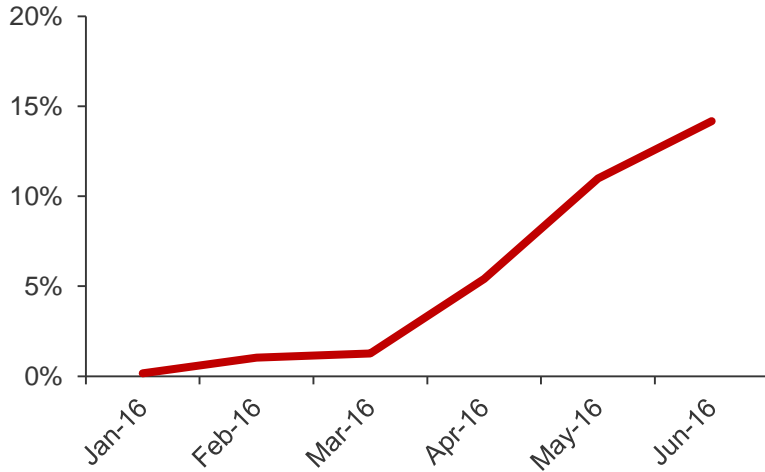
Alustal

Major allergens

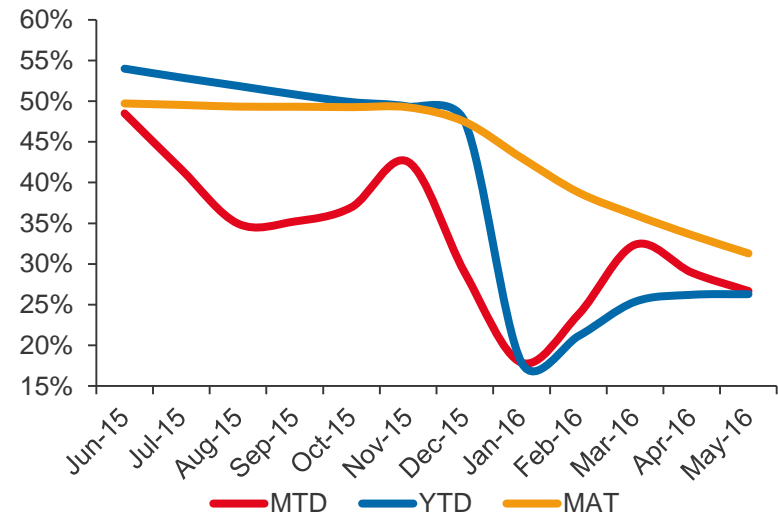
Re-launched in Algeria
Production for other countries on-going

INCREASE IN SALES AND MARKET DEMAND SINCE MARCH 2016 – POISED FOR FURTHER ACCELERATION IN H2 2016

France STALORAL TOP 14 references
Total Sales Uptake vs. 2015 (% YTD)



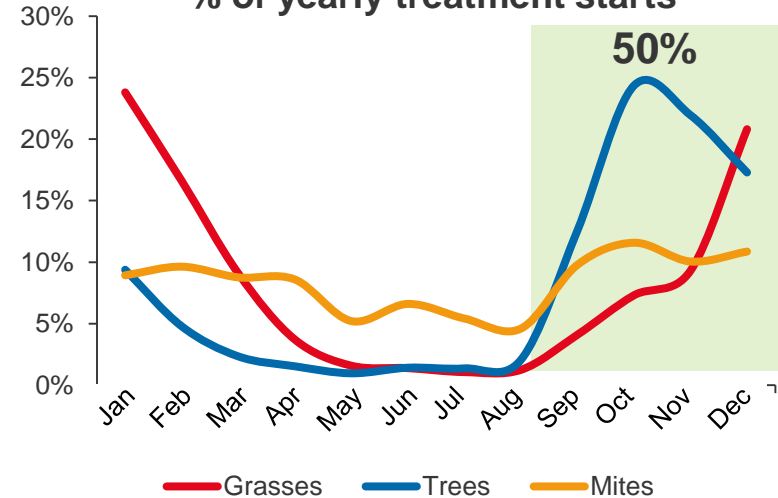
EU/Int'l ORALAIR Market Share*









Key highlights

- Staloral TOP 14 references have achieved 31% of 2015 sales during the last 3 months with 14% of 2015 sales YTD
- Oralair has regained 10 points market share since March 2016, and sales YTD are 70% of 2015 sales levels
- Approximately 50% of total yearly treatment starts occur during the last 4 months of the year

% of yearly treatment starts



KPI DASHBOARD METRICS UPDATE

KPI	H1 2016 Status	Comments
Product availability matching demand	 Goal	References available to date sufficient to meet 70% of 2014 sales
Adequate level of stock across the value chain	 Goal	Stock levels available to meet H2 2016 sales forecast
Manufacturing cost	 Goal	Positive impact to materialize in 2017 and beyond
No shortage / stock-outs	 Goal	Objective achieved YTD
Delivery lead time	 Goal	Average delivery lead time below our 2 weeks target at 8 days YTD
Stakeholder needs and satisfaction level – market survey Q2 2016	 Goal	End of July 2016, the image barometer showed significant improvement with a confidence and trust score at a comparable level to main competitor

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OUR US BUSINESS HAS EVOLVED SIGNIFICANTLY...



Greer Labs

More than a century of leadership within Allergy Immunotherapy
Specialist Focus



ORALAIR®

Greer Labs becomes a part of Ares Life Sciences and brings 5-grass sublingual specialty product into the portfolio
Specialist Focus



Stallergenes Greer

Stallergenes and Greer labs merge to create the global leader in Allergy Immunotherapy, further strengthening our capabilities
Specialist and Primary Care Focus



Our Future

Further transform our business into a fully fledged specialty bio-pharmaceutical company focused on changing the allergy treatment paradigm so our patients can live life beyond allergy



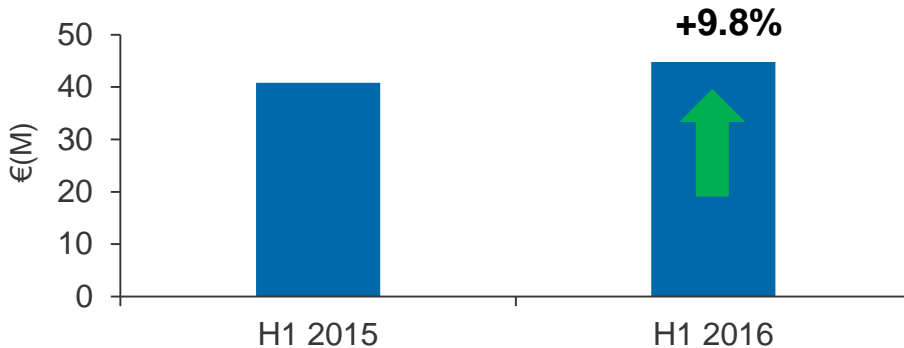
WHILE MAINTAINING GROWTH OVERALL, WE HAVE MADE GOOD PROGRESS WITH ORALAIR, GAINING COMPETITIVE SHARE...

H1 2016 US NET SALES

Strong performance across multiple product lines in the US which resulted in a €4M, or 9.8%, increase over H1 2015 (€40.8M to €44.8M):

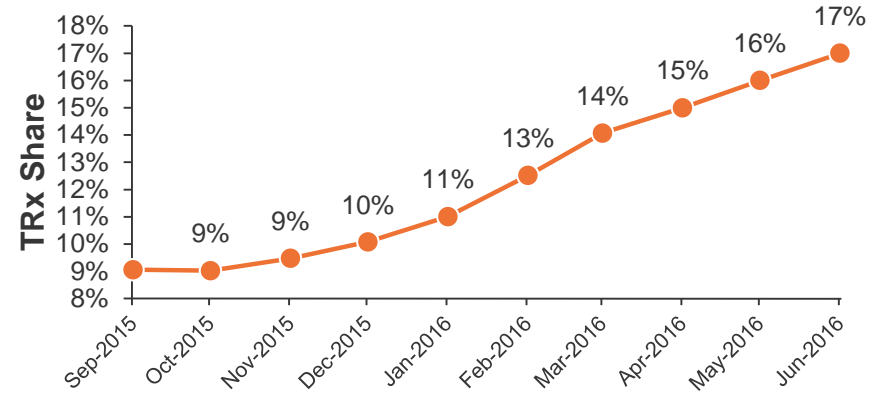
- Q3 2015 promotional strategy to increase our Share of Voice (SOV) accelerates ORALAIR NRx and TRx share growth
- Exiting Q2 2016 ORALAIR achieved ~17% TRx market share
 - Exceeded 20% NRx share in Q2 2016

US Net Sales

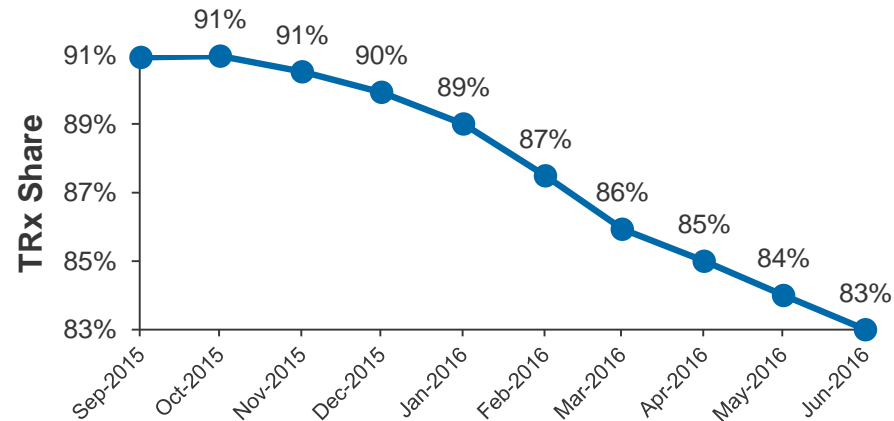


Note: comparable numbers are at a constant currency of €1.11553

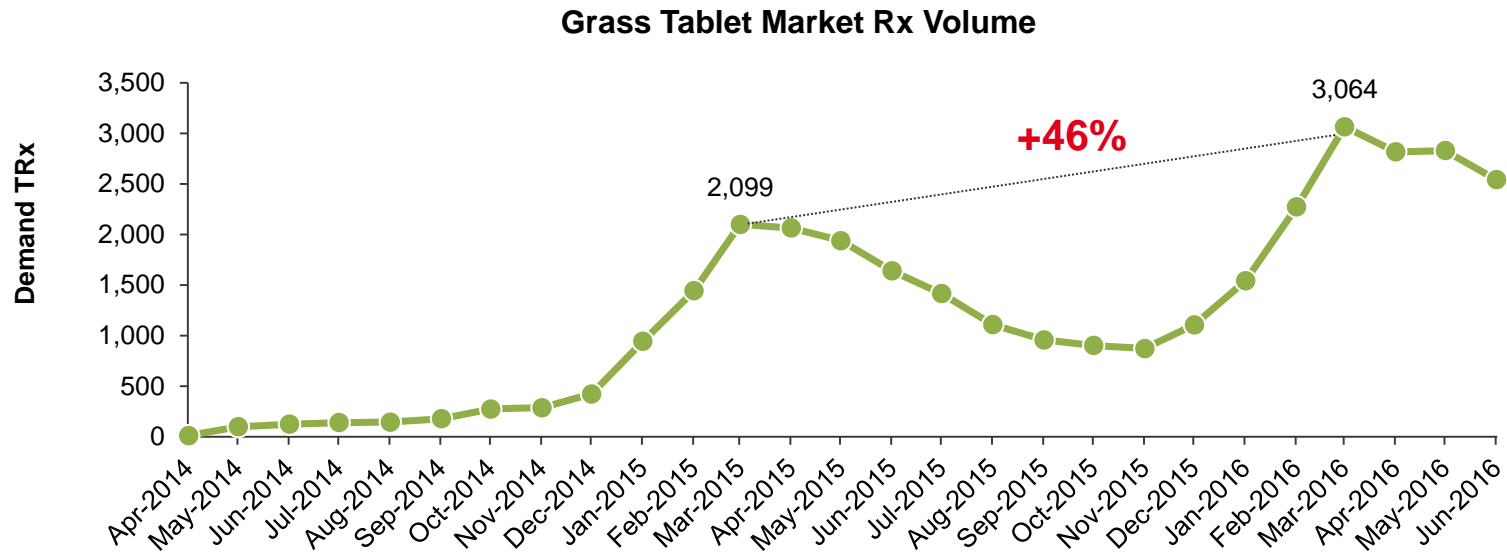
ORALAIR TRx Share



GRASTEK TRx Share



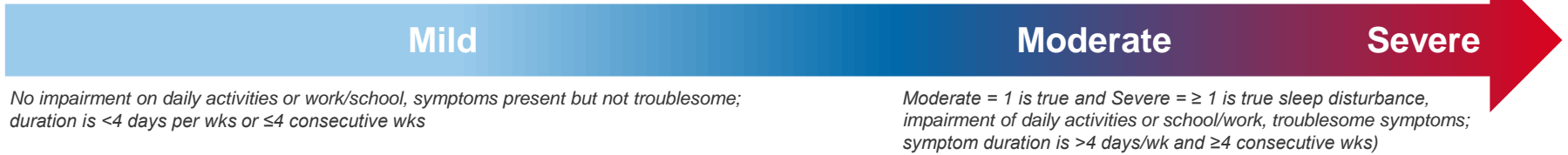
BUT THE GRASS TABLET MARKET IS GROWING SLOWER THAN EXPECTED...



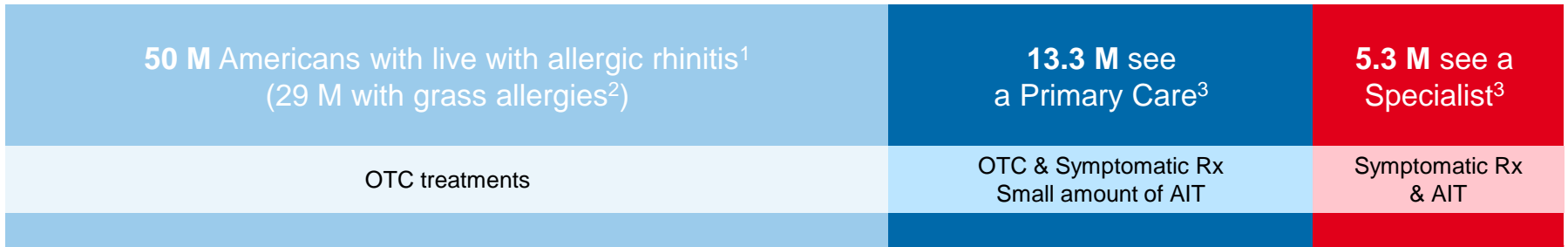
- Overall, the grass tablet market grew 46% at the season peak YOY
 - ORALAIR TRx volume grew 114% between March 2015 and March 2016
 - GRASTEK TRx volume grew 38% between March 2015 and March 2016
 - Typical new product launches enjoy several years of triple digit growth before reaching a plateau
- Grass tablet adoption by Allergy Specialists is limited, contributing to the slow market development
 - Allergists favor polyallergic mixes, financially disadvantaged vs traditional sub cutaneous therapy
 - Later than anticipated patient initiation, two months vs four months

THAT'S WHY WE'RE EVOLVING OUR APPROACH AND FOCUSING OUR EFFORTS ON THE PRIMARY CARE OPPORTUNITY...

DISEASE SEVERITY



PATIENT FLOW & PRIMARY TREATMENT



POTENTIAL



References: 1. ACAAI. Allergy facts. www.acaai.org/allergist/news/Pages/Allergy_Facts.aspx. 2. Data on file. GREER Laboratories, Inc. 3. Ambulatory Medical Care Utilization Estimates. National Health Statistics Reports. April 2011. www.cdc.gov/nchs/data/series/sr_13/sr13_169.pdf.

WHICH WE BELIEVE TO BE SIZEABLE...

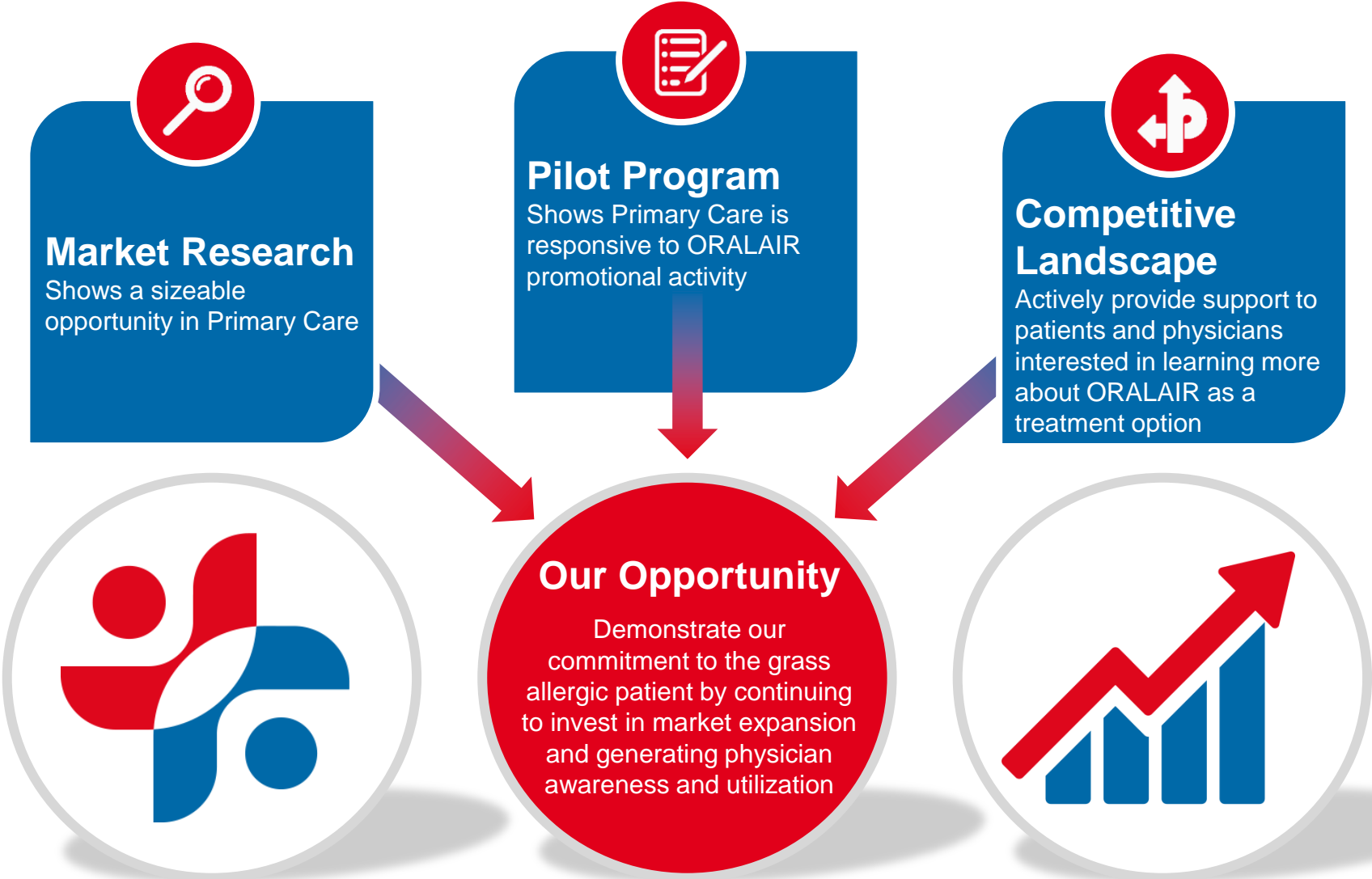
MARKET RESEARCH SHOWS

- **Majority** have conducted blood or skin testing
- **Comfortable** diagnosing allergic rhinitis themselves
- **More than half** are not fully satisfied with the efficacy, cost and access to current treatment options
- **Extremely favorable** opinions of the value of AIT tablets
 - **Highly motivated** to prescribe ORALAIR®

OUR EXPERIENCE SHOWS

- In one season, the number of prescriptions written by PCPs is **equal to** the number written by long-standing Allergist prescribers
- **Positive** adoption and utilization of ORALAIR in response to representative detail

OUR OPPORTUNITY FOR GROWTH WILL CONTINUE TO EVOLVE AS THE MARKET SHIFTS AND WE LEVERAGE OUR REFINED FOCUS



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H2 2016 REBUILD: FOCUS ON REVENUE AND PROFITABILITY

H2 2016 / FY 2017 PRIORITIES

- Finalize roll-out of optimized product portfolio in EU/Int'l markets
- Achieve EU/Int'l sales acceleration in 2016 to regain global market leadership end of 2017
- Regain Oralair EU/Int'l market leadership
- Continue US Oralair market share gains through H2 2016 and FY 2017
- Continue to invest in Tech Ops, Quality and IT
- Right-size cost base, rationalize existing commercial footprint and efficiently manage cash

OUTLOOK

2016

- Sales between €180 – €200 million
- EBIT expected to be significantly negative

2017

- Confidence on sales growth acceleration to continue in 2017 and beyond

UPCOMING EVENTS



**Meet the
Managers
Event**
16 November
2016



**FY 2016
Results**
March
2017



**H1 2017
Results**
August
2017

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THANK YOU

Q&A