

Allon Therapeutics Inc.



Corporate Overview
July 2010



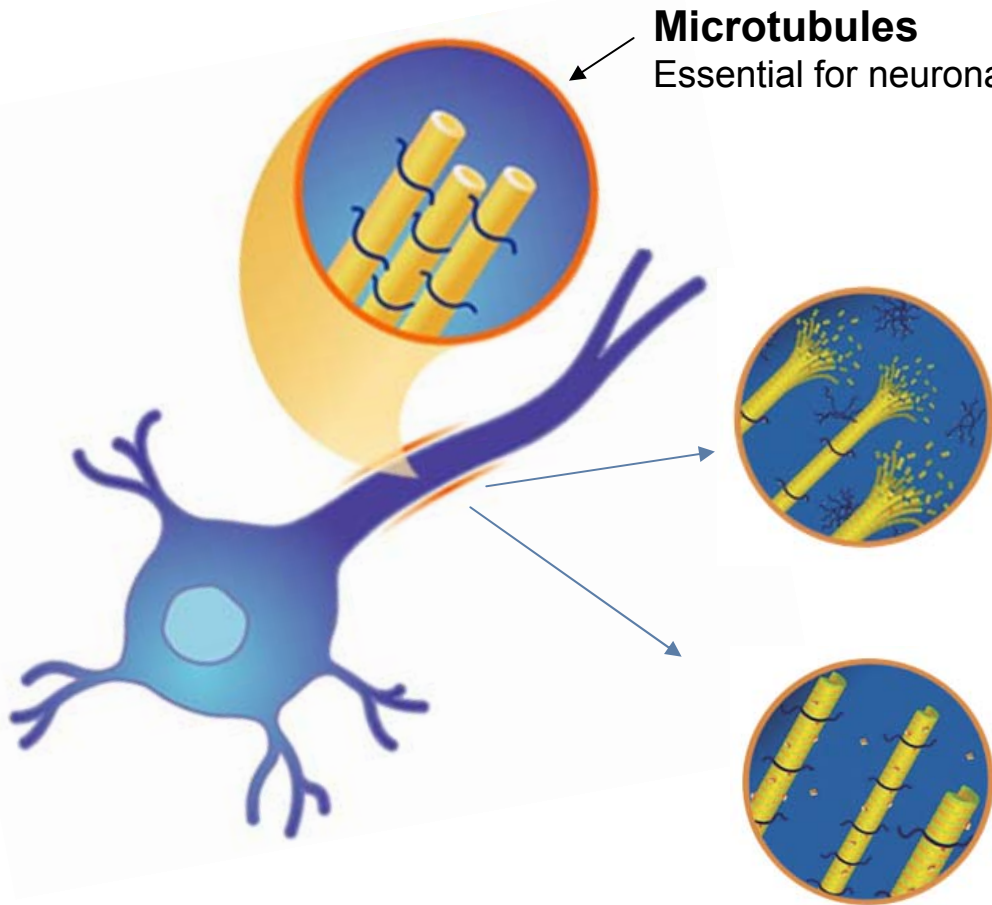
Forward Looking Statements

Statements contained herein, other than those which are strictly statements of historical fact may include forward-looking information. Such statements will typically contain words such as "believes", "may", "plans", "will", "estimate", "continue", "anticipates", "intends", "expects", and similar expressions. While forward-looking statements represent management's outlook based on assumptions that management believes are reasonable, forward-looking statements by their nature are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by them. Such factors include, among others, the inherent uncertainty involved in scientific research and drug development, Allon's early stage of development, lack of product revenues, its additional capital requirements, the risks associated with successful completion of clinical trials and the long lead-times and high costs associated with obtaining regulatory approval to market any product which Allon may eventually develop. Other risk factors include the limited protections afforded by intellectual property rights, rapid technology and product obsolescence in a highly competitive environment and Allon's dependence on collaborative partners and contract research organizations. These factors can be reviewed in Allon's public filings at www.SEDAR.com and should be considered carefully. Readers are cautioned not to place undue reliance on such forward-looking statements.

Allon Overview

- Portfolio of novel neuroprotective peptides with broad clinical applicability
- Disease-modifying mechanism of action
- Lead demonstrated human POC in two Phase II studies + positive imaging biomarker data
- Pursue orphan market for first approval and proceed to major markets post approval
- Financial resources to execute through major milestones
- Strong IP estate
- Management team with proven & repeated track record

Fundamental Mechanism of Action



Microtubules

Essential for neuronal structure and function

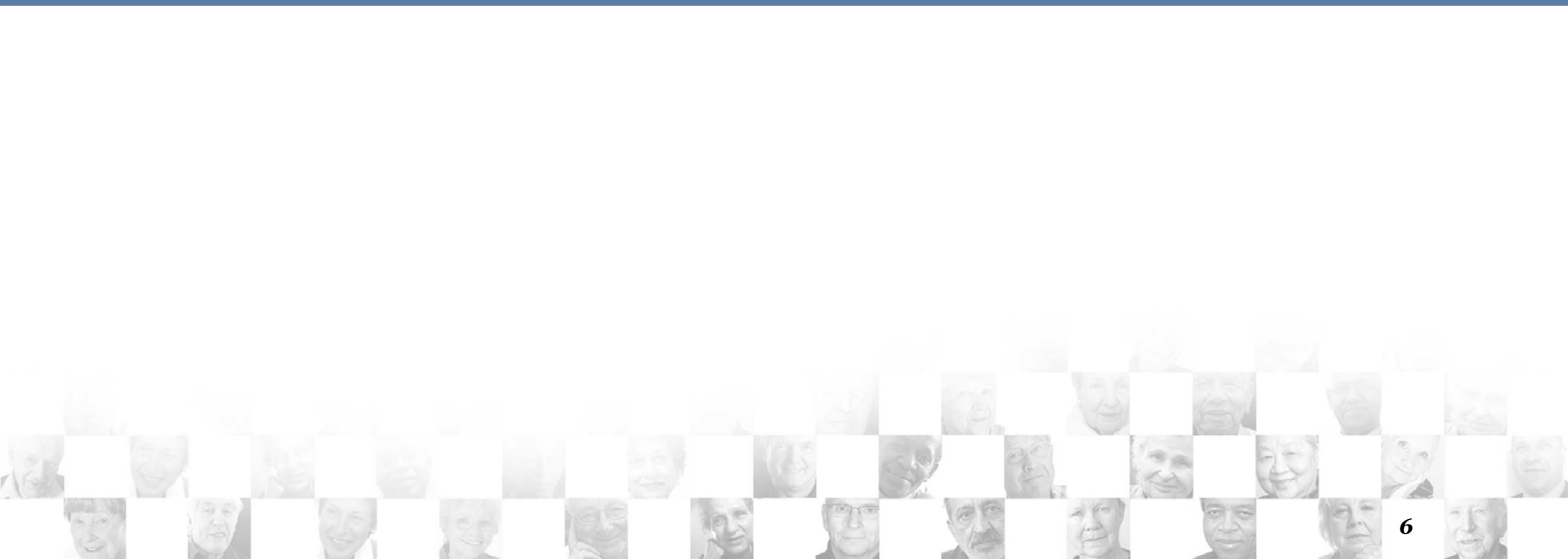
Neurodegeneration

- Destabilization and breakdown of microtubules
- Tau hyperphosphorylation
- Progressive loss of function
- Leads to cell death

Neuroprotection

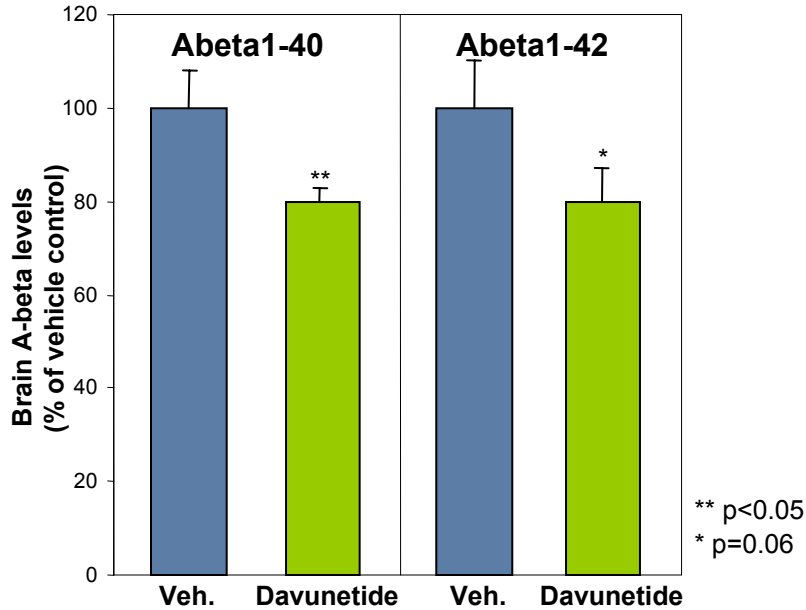
- Davunetide crosses the human blood brain barrier
- Reduces Tau hyperphosphorylation
- Stabilize and repair microtubules
- Restore neuronal structure and function

ADNP Platform Davunetide Human Proof of Concept

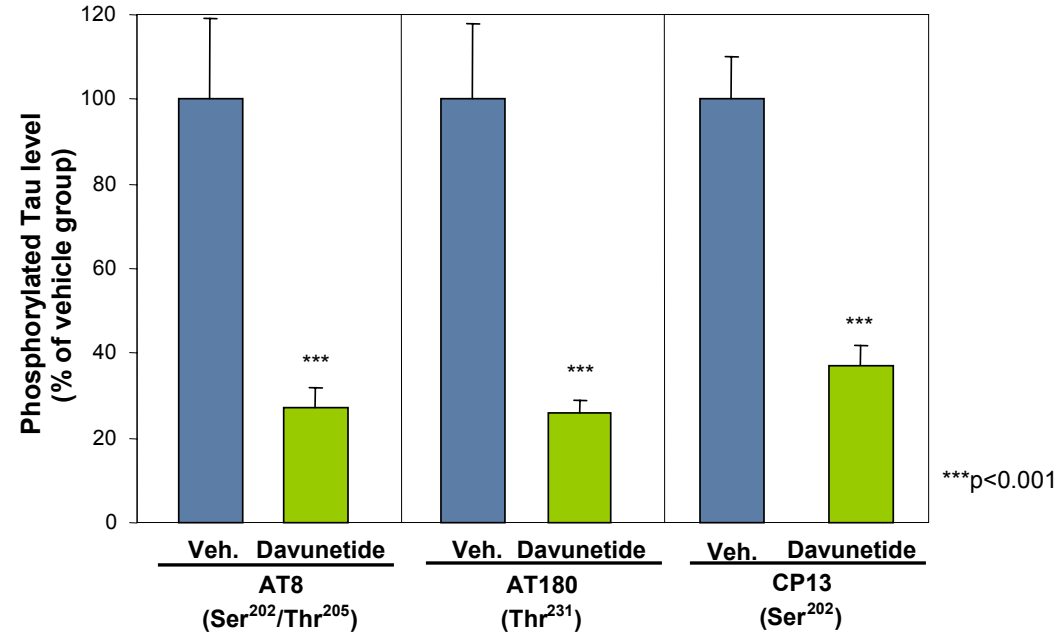


Davunetide Impacts Relevant Neuropathology

Amyloid Beta



TAU Phosphorylation



- Significant reduction in levels of beta-amyloid and phosphorylated tau
- Significant behavioral outcome in animals

Clinical Strategy

P/C & Phase 1

- Safety/PK Studies
- Safety to 60 mg/day
- CSF penetration
- Brain via systemic distribution
- Healthy normal/aged, AD, FTD
- 35 P/C studies in 17 models

P2a – AD Program

- 144 subjects
- 2 doses (5 mg/QD, 15 mg BID)
- 12 weeks
- Randomized, placebo controlled, double blind
- 17 US sites

P2a – Schizophrenia

- 63 subjects
- 2 doses (5 mg QD, 15 mg BID)
- 12 weeks
- Randomized, placebo controlled double blind
- 7 US sites

P2a – Imaging Biomarker

- 18 subjects
- 2 doses (5 mg/QD, 15 mg BID)
- 12 weeks
- Randomized, placebo controlled double blind
- 3 US sites

P2/3 Study

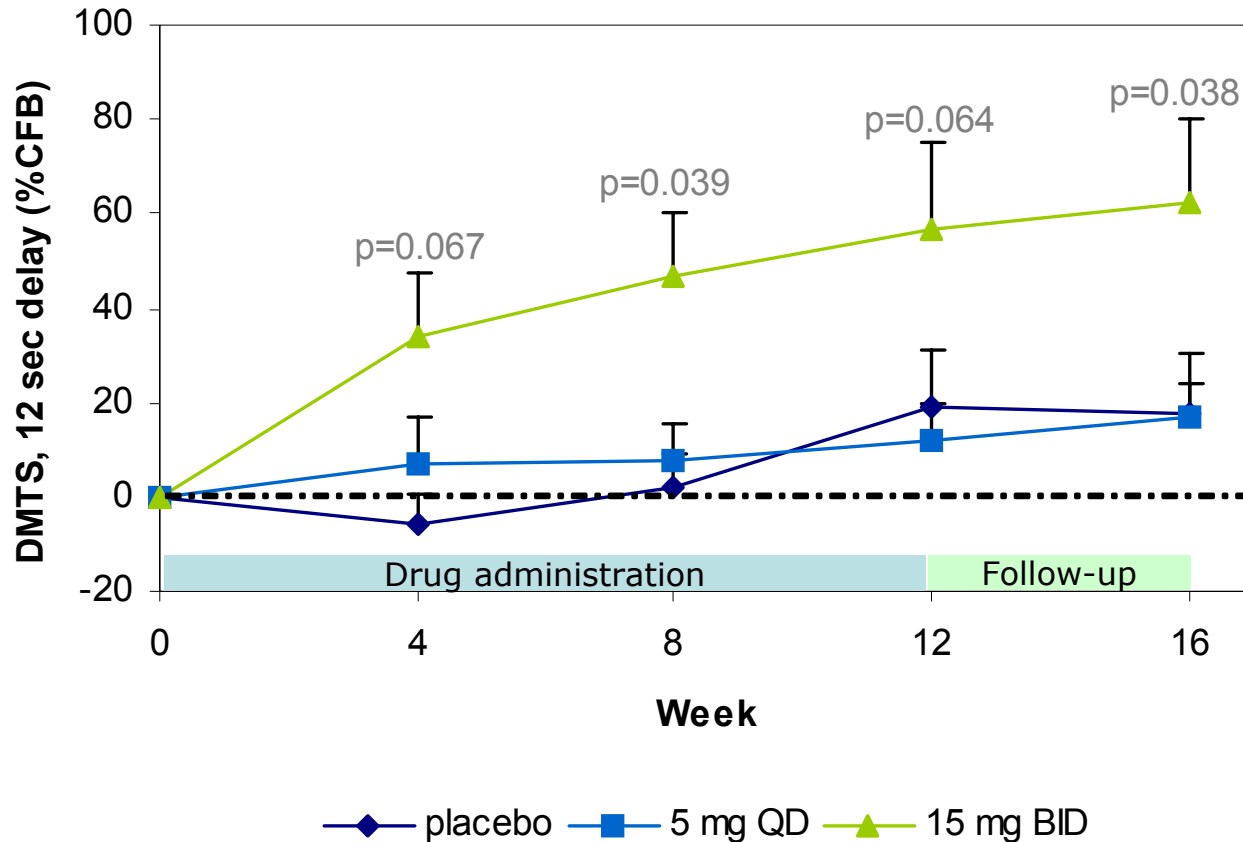
- Progressive Supranuclear Palsy
- Early onset dementia
- Rapid decline
- No effective treatment
- Validated rating scale
- Powered as a pivotal study
- Defining future steps in AD/Schizophrenia
- 2nd generation formulation underway for market separation

410 subjects dosed with davunetide

Davunetide Phase 2 Alzheimer's Program: aMCI

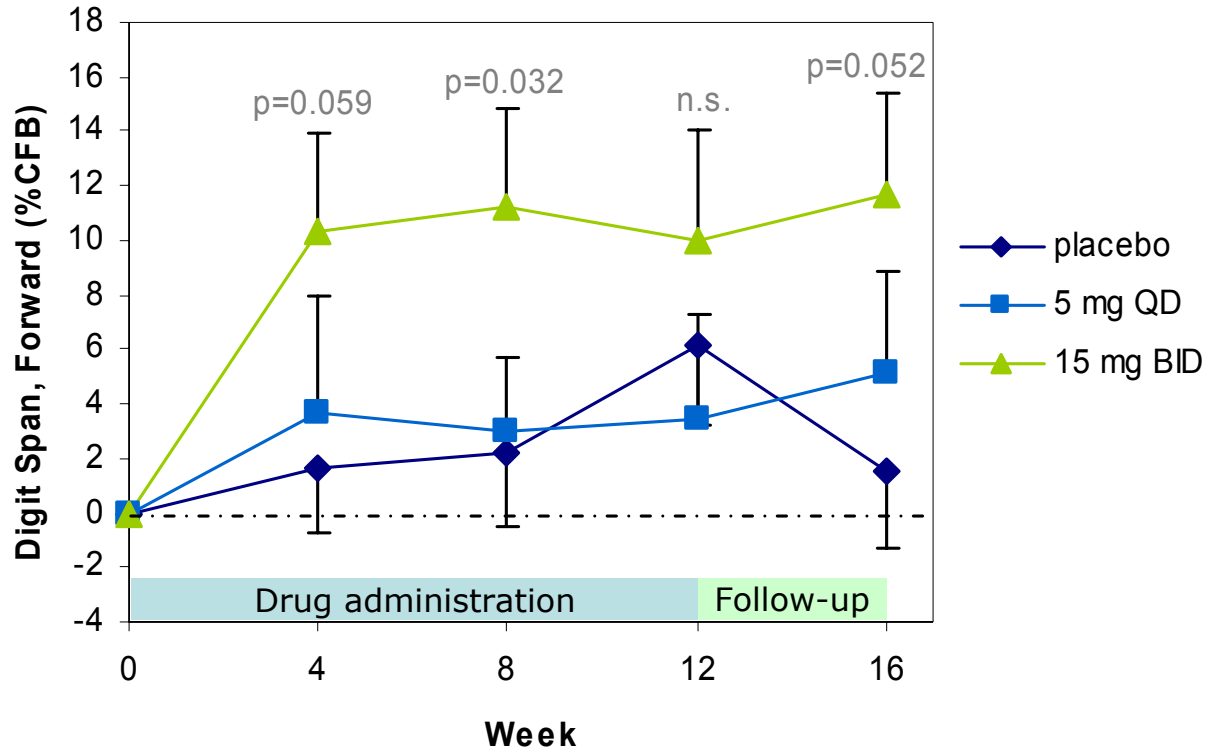
- 144 subjects amnestic MCI
 - Demographics = aMCI patients
- 17 clinical sites in the U.S.
- Randomised, placebo controlled, double blind
- Two doses (5 mg QD; 15 mg BID) x 12 weeks
- Placebo matched to both low and high dose davunetide
- Cognitive assessments at weeks -4, 0, 4, 8, 12, 16
- *All cognitive measurements relevant to AD clinical practice*

Statistically Significant Improvement on Memory (aMCI)



■ Statistically significant, dose dependant and durable impact seen at 12 second delay when memory is measured

Statistically Significant Improvement on Memory (aMCI)



- Statistically significant, dose dependant, and durable impact on working memory

Amnestic MCI Study Summary

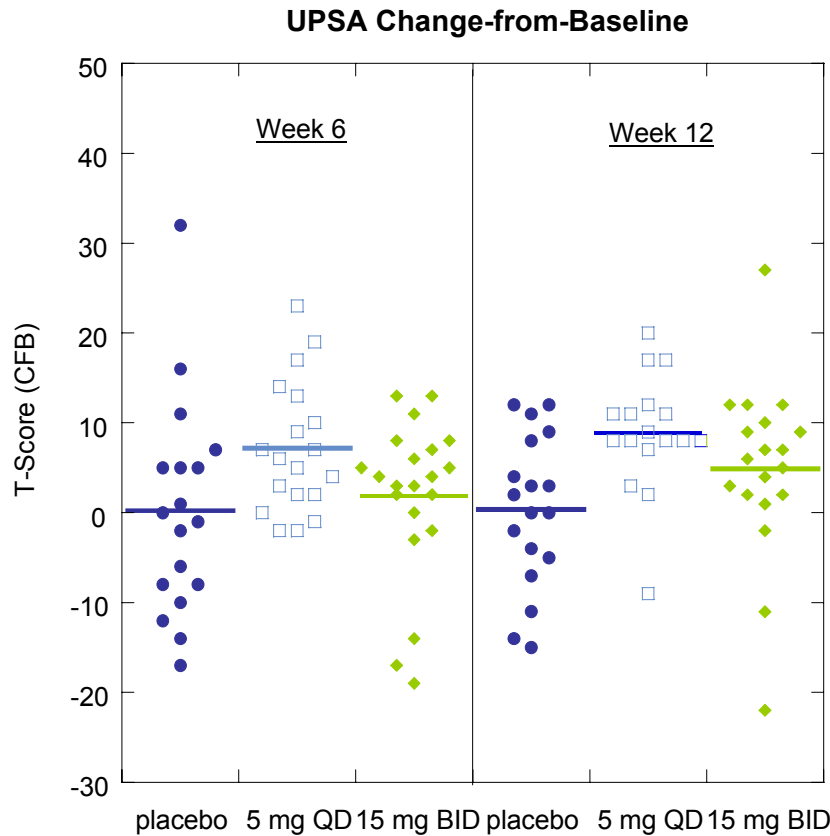
- Statistically significant, dose dependent and durable impact observed when memory domains are challenged
- Drug effect and/or trending observed when the challenge is both memory and executive function (including the primary composite)
- No effect on anxiety
- Drug is safe & well tolerated with modest drug related adverse events
- Clear human proof-of-concept in relevant indication warrants proceeding to P2b in AD & other types of dementia

Phase 2 Schizophrenia Cognitive Impairment Design

- TURNS / NIMH funded
- 60 patients clinically stable
- 7 US sites
- Randomized, double blind, placebo controlled
- Two doses of 5 mg QD/15 mg BID for 12 weeks
- Placebo matched to both low and high dose davunetide
- Endpoint = MATRICS + UPSA + SCoRS
- 3 imaging biomarkers to evaluate structural changes



UCSD Performance-Based Skills Assessment



Mixed Model ANCOVA

- 5 mg vs placebo:
 - $p=0.023$ Week 6; $p=0.088$ Week 12
 - Combined 6 and 12 weeks versus placebo $p=0.015$
- 15 mg vs placebo:
 - $p=0.079$ Week 6; $p=0.387$ Week 12

Conclusion

- Statistically significant treatment effect of davunetide 5 mg QD and combined treatment groups versus placebo
- Davunetide 15 mg BID did not reach significance but not different from 5 mg QD

Schizophrenia Cognition Study Summary

- Trending on the primary outcome on MATRICS (Measurement and Treatment Research to Improve Cognition in Schizophrenia) composite battery of tests
- Moderate and large treatment effects seen in visual learning and working memory sub-domains
- Statistical significance ($p=0.015$) on functional outcome (UCSD Performance-based Skills Assessment (UPSA)) a recognized co-primary for registration trials
- Safe and well tolerated
- Imaging biomarker data significant and correlate with behavioral outcomes

Magnetic Resonance Spectroscopy (MRS) in Schizophrenia

MRS Imaging

- Measures concentrations of important CNS markers

Pathological Findings

- MRS changes correlate with prefrontal gray matter abnormalities

Regional Localization

- Dorsolateral Prefrontal Cortex (DLPFC) most often implicated in CIAS

Drug Effects

- NAA changes induced by antipsychotic drugs

N-Acetylaspartate (NAA) imaging in Schizophrenia

Important Biomarkers

- Integrity of neuronal function in DLPFC by NAA correlates with activation of working memory in schizophrenia

Hypothesis

- Davunetide can increase the metabolic integrity as measured by the NAA/Cr ratio compared to baseline

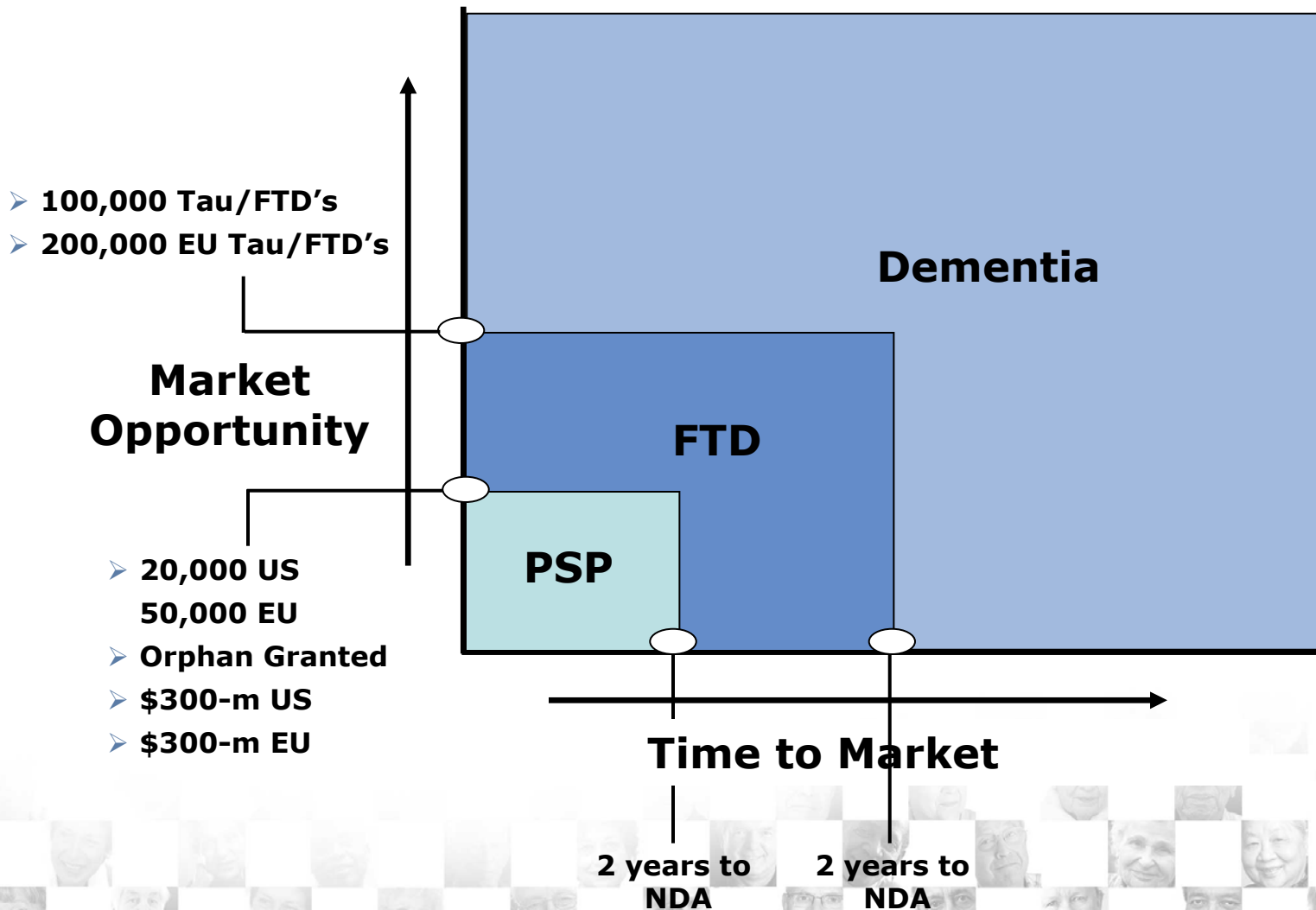
Result

- Statistically significant ($p=0.017$) increased NAA levels were found in patients treated with davunetide -vs- baseline

Conclusion

- Davunetide can impact the neuronal health and function of the brain in areas critical to cognitive impairment

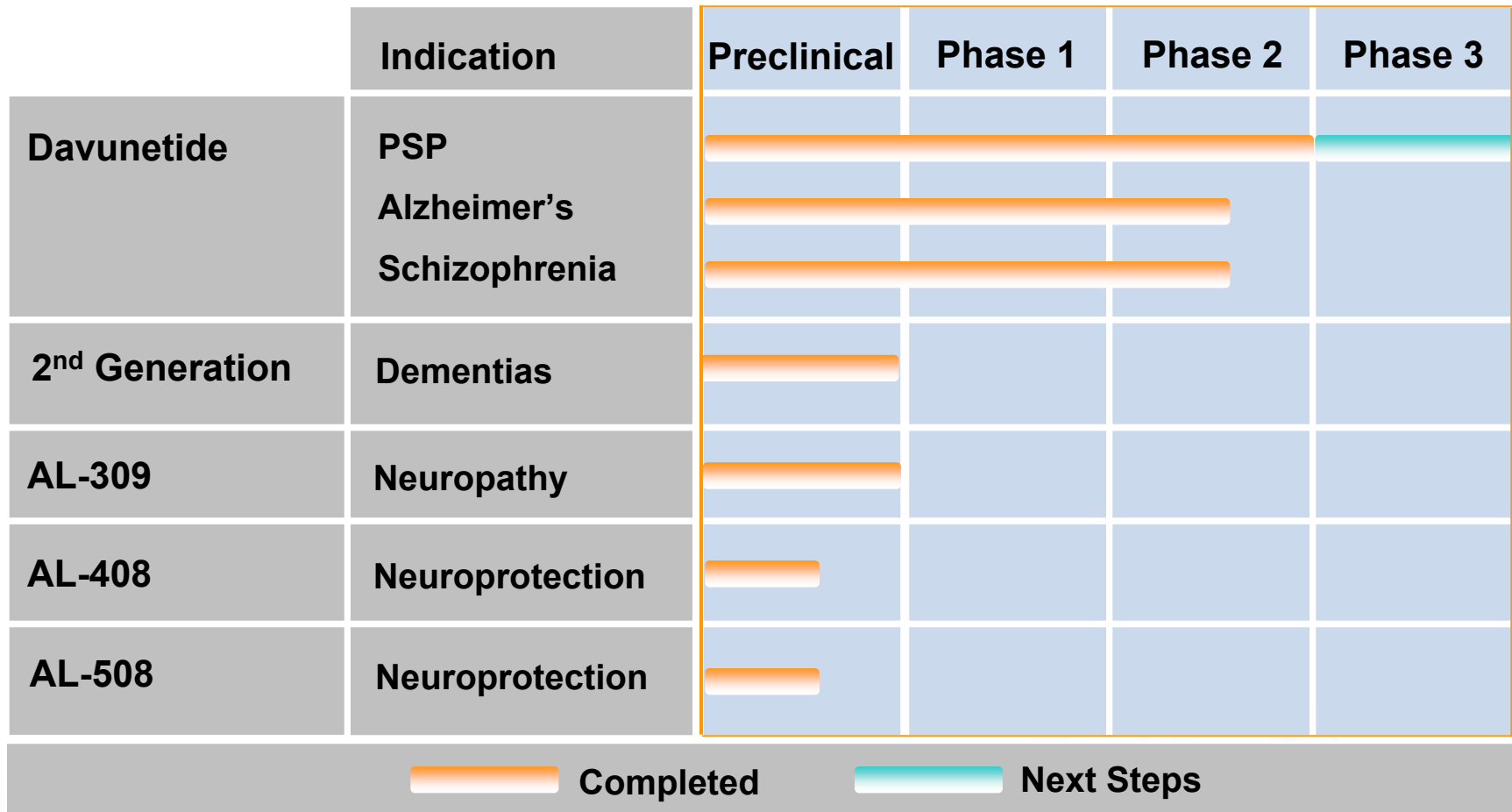
Davunetide Market Strategy



Phase 2/3 Progressive Supranuclear Palsy

- Early-onset dementia characterized by tau pathology
- No available treatment
- US Orphan granted (20,000 patients); EU Orphan granted (50,000 patients)
- Fast Track Granted
- Validated rating scale measuring clinically relevant outcomes
- Appears to meet criteria for single study approval
- Phase 2/3 study powered as a pivotal study to start H1 '10
- Significant future potential in other sub-types of frontotemporal dementia

Balanced Clinical Development Strategy



Capital Snapshot

- \$16.5-mm available for clinical development
 - \$6.5-mm cash (Q1'10)
 - \$10-mm equity line
- '10 burn rate \$750k/month
- Financial resources to execute clinical milestones
- 78-mm shares (85.8-mm fd), no prefs, no debt
- Market cap ~ \$35-mm
- Volume ~ 125 k/day
- Institutional ownership ~ 60%

Allon Summary

- Phase 2 human proof of concept in AD, cognitive impairment associated schizophrenia and imaging biomarker
- Advance to P2/3 in PSP
- Advance in AD/CIAS to P2b with partner
- First clinical program to impact both amyloid beta and neurofibrillary tangles
- 14 families of 55 issued composition of matter and use patents & 35+ pending
- Broaden the pipeline assets
- Management team with consistent track record of execution and achievement

Continued Focus on 2010 Execution

- ✓ Completed 60 mg safety study
- ✓ EU/US orphan drug designation granted
- ✓ Significant schizophrenia imaging biomarker data
- ✓ US Fast Track granted
- ✓ Validate P2/3 design with ongoing pilot study
 - Define regulatory guidance
 - Initiate Phase 2/3 clinical trial for PSP
 - Initiate commercial planning
 - Define second generation products
 - Advance pipeline assets



www.allontherapeutics.com

TSX: NPC

