

Allon Therapeutics Inc.

TSX:NPC



Bringing to market innovative
central nervous system therapies



Corporate Overview

July 2011

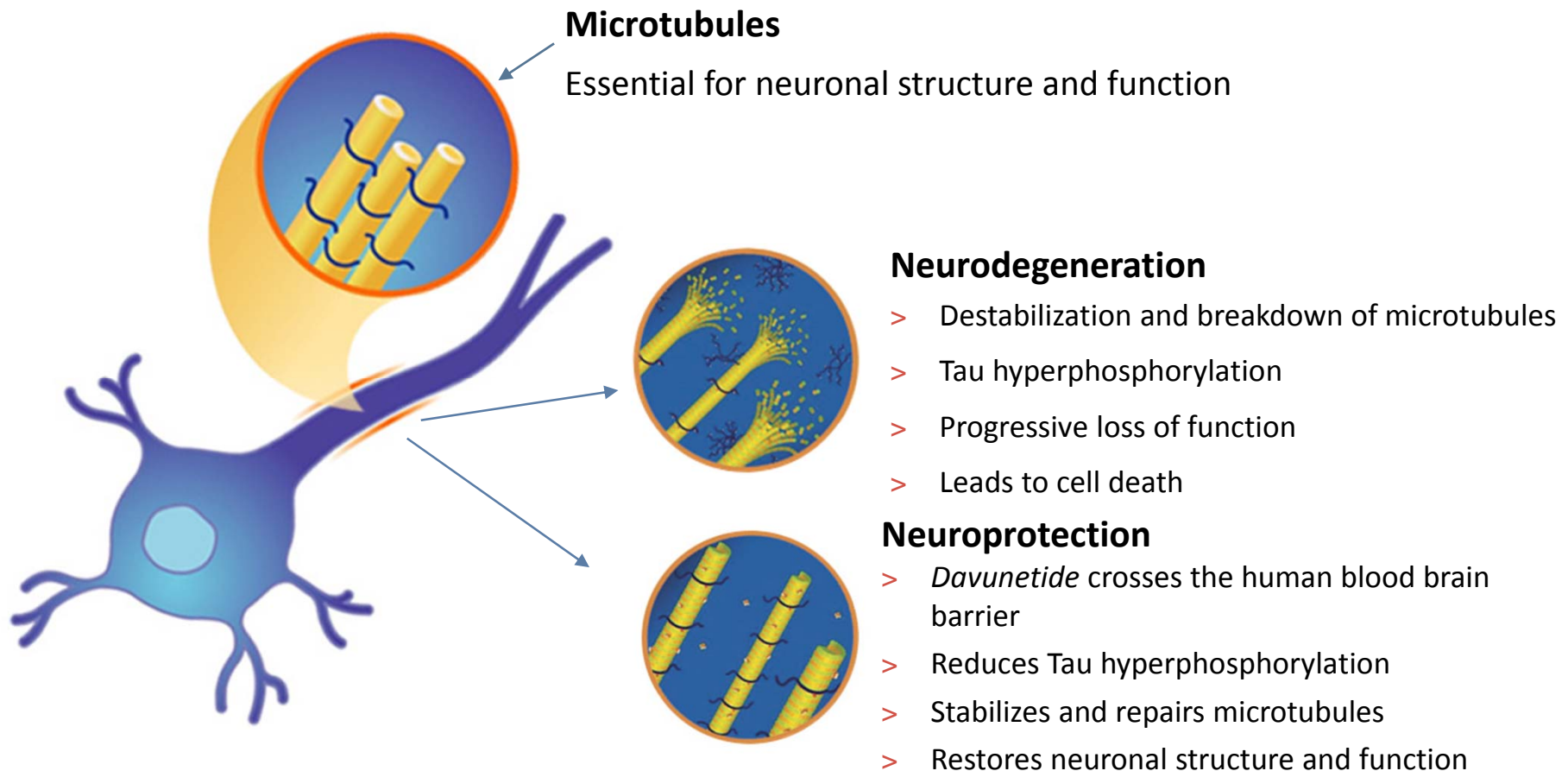
Forward Looking Statements

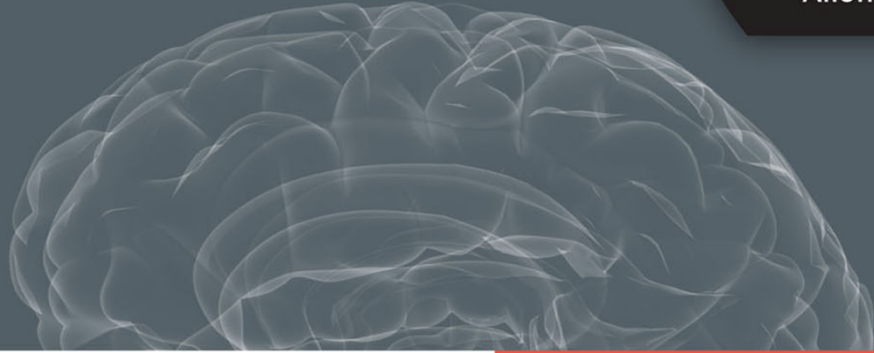
Statements contained herein, other than those which are strictly statements of historical fact may include forward-looking information. Such statements will typically contain words such as "believes", "may", "plans", "will", "estimate", "continue", "anticipates", "intends", "expects", and similar expressions. 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. Similarly, nothing in this presentation is meant to promote a pharmaceutical product or make a regulated claim of efficacy.

Allon Overview

- > Portfolio of novel neuroprotective peptides with broad clinical applicability & disease-modifying mechanism
- > International pivotal study underway in orphan market with SPA, Orphan Status (US & EU) and Fast Track
- > Lead demonstrated human proof of concept in two Phase 2 studies + positive imaging biomarker data
- > Pursue orphan market for first approval and proceed to major markets post approval with 2nd generation product
- > Financial resources to execute through major milestones
- > Strong intellectual property estate
- > Management team with proven & repeated track record

Fundamental Mechanism of Action





ADNP Platform

Davunetide

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

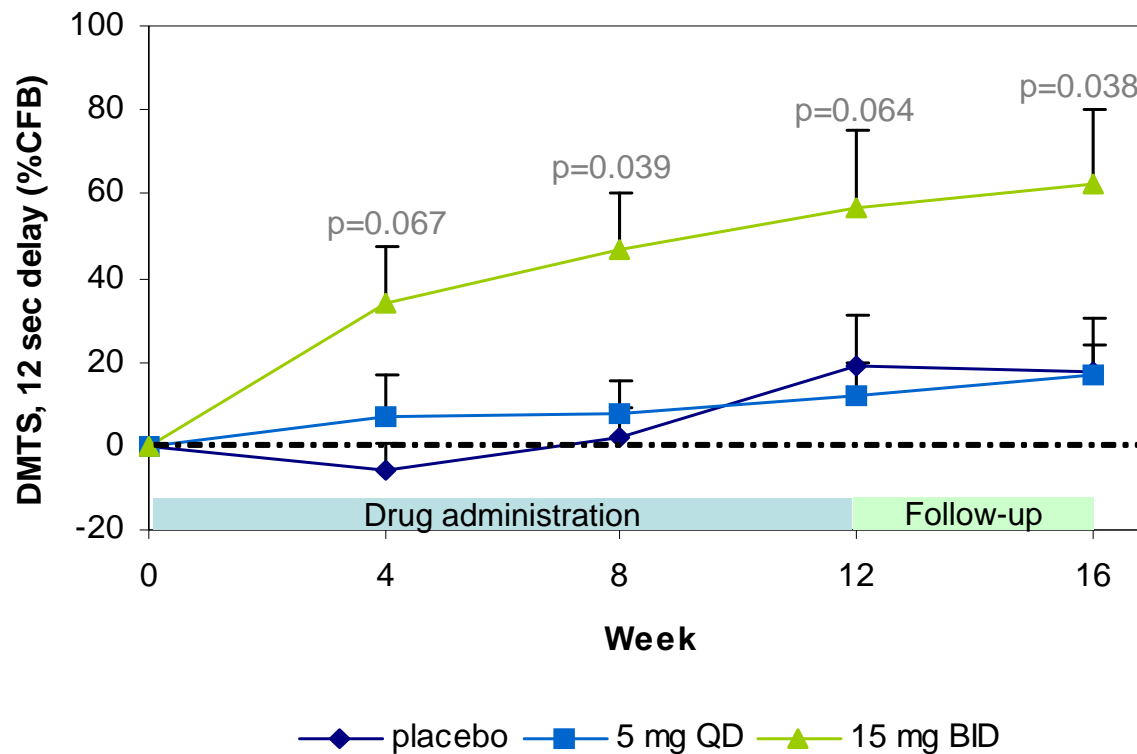
- > 18 subjects
- > 2 doses (5 mg/QD, 15 mg BID)
- > 12 weeks
- > Randomized, placebo controlled double blind
- > 3 US sites

P2/3 Pivotal 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 segmentation

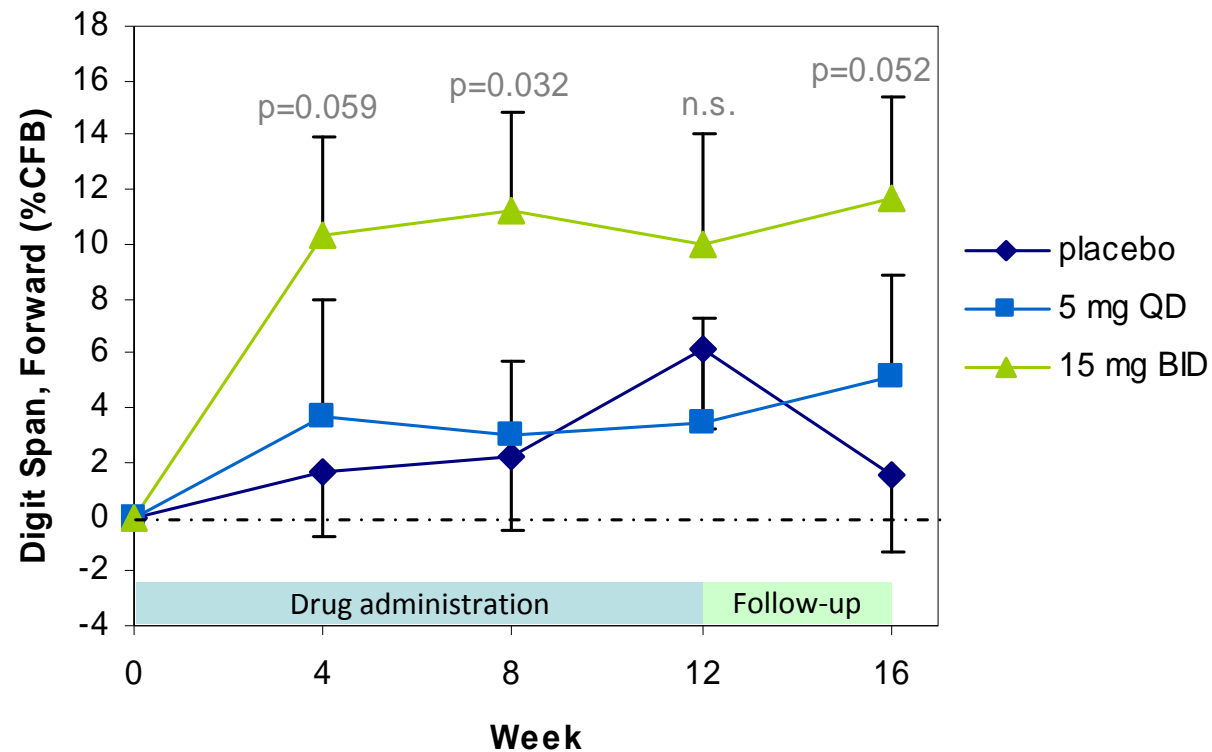
410 subjects dosed with *davunetide*

Statistically Significant Improvement on Memory (aMCI)



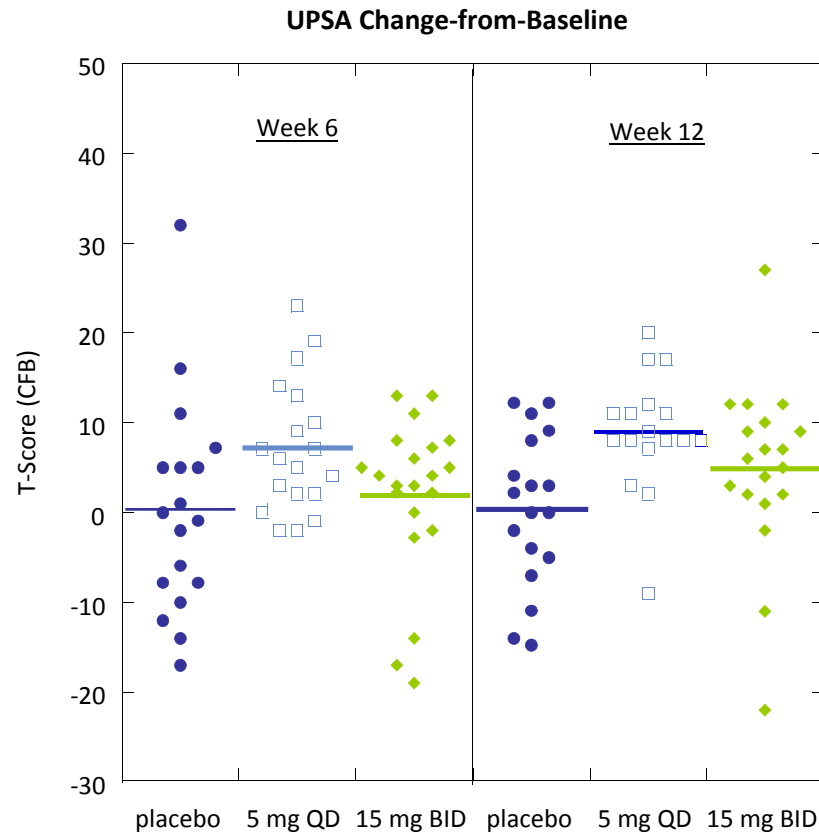
- > Statistically significant, dose dependent and durable impact seen at 12 second delay when memory is measured

Statistically Significant Improvement on Memory (aMCI)



- > Statistically significant, dose dependent, and durable impact on working memory

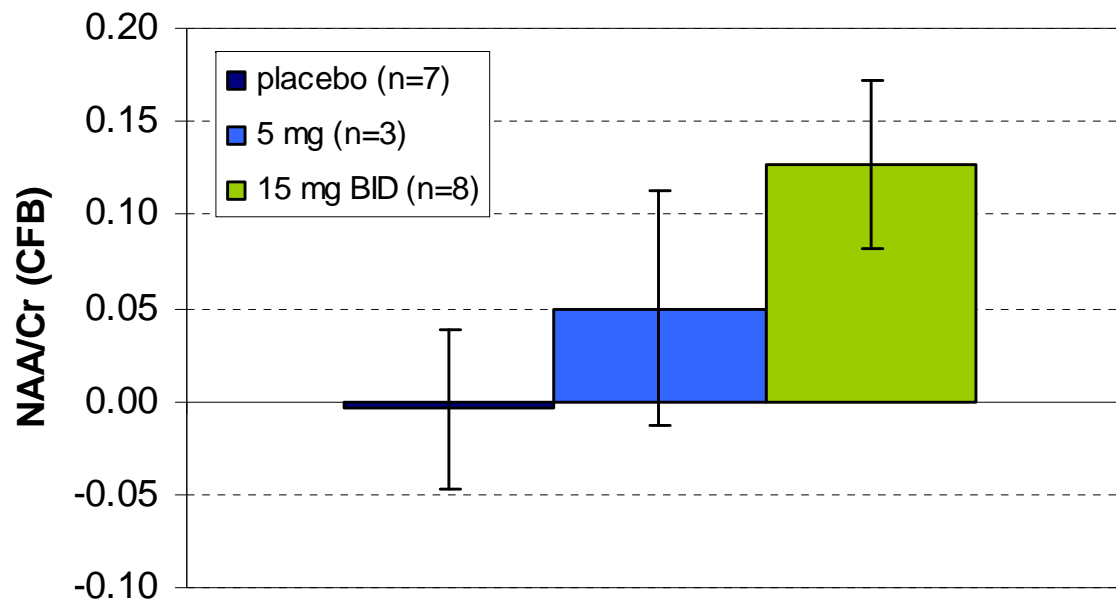
Statistically Significant Improvement on ADLs



Conclusion

- > Statistically significant treatment effect of *davunetide* 5 mg QD ($p=0.023$) and combined treatment groups versus placebo ($p=0.015$) (mixed model ANCOVA)
- > No statistical significance between groups

Statistically Significant Improvement on Biomarker



Wilcoxon non-parametric
Exact Test
 $p=0.07$
15mg BID vs placebo

- > Non-parametric analysis shows strong trend towards significant treatment effect versus placebo
- > Statistically significant increase in NAA levels found in patients treated with *davunetide* relative to baseline ($p=0.017$)

Summary of *Davunetide* Efficacy Data

- > Statistically significant treatment effect on:
 - Working memory and visual learning & memory
 - Activities of daily living
 - Brain biomarker of neuronal integrity (NAA/Cr)
- > Positive trends across multiple additional outcomes
- > Safe and Well-Tolerated

Therefore:

- > Human proof of concept; consistent with pre-clinical pharmacology; consistent with microtubule hypothesis
- > Strong basis for PSP pivotal study
- > Most advanced tau therapy in the world

Clinical PSP Study

- > Patient population with homogeneous pathology
- > *Davunetide* appears to be efficacious on this pathology in both pre-clinical and human clinical studies
- > Decline is rapid -- facilitates reasonable study length
- > No effective therapy whatsoever
- > Patients are reliably diagnosed
- > PSPRS is a validated rating scale of clinically relevant outcomes
 - Based on UPDRS, a single approvable endpoint in PD
 - Reliably predictive of patient status and essentially linear decline
- > These criteria plus completely unmet medical need provide regulatory clarity
 - SPA agreed
 - Orphan granted in US and EU
 - Fast Track granted

Phase 2/3 Progressive Supranuclear Palsy

- > Special Protocol Assessment in place
- > 300 subjects randomized 1:1
- > 30 mg *davunetide* BID or placebo
- > 12 months treatment
- > US, Canada, UK, France, Germany, & Australia
- > Primary outcomes: PSP Rating Scale and SEADL
- > Secondary outcomes: CGI, MRI, + various exploratory
- > Very tight inclusion/exclusion criteria
- > Enrolment commenced Q4 '10; 50% enrolled (Q2'11)

Davunetide Commercial Research

Current knowledge base on PSP market dynamics is limited

- > No marketed products in PSP
- > Modest literature on prevalence rates
- > No off-the-shelf resources

Allon has undertaken

- > Primary research into PSP prevalence in US/EU
 - > Blinded *davunetide* product profile
 - > Aim to understand the roles of specialists that refer, diagnose & treat
- > Pricing and reimbursement study in EU
- > Pricing and reimbursement study in US (underway)
- > Sales Forecasts

Market Status

- > Consulted clinicians & payers: ~125 US/EU
- > ~25,000 cases US / ~40,000 cases EU
- > Twice as prevalent as Huntington's
- > More prevalent than ALS
- > Clinicians said if approved *davunetide* would be clinically appropriate for 84% of their patients
- > Very conservative pricing assumptions suggest PSP has the potential to be a >\$700-mm market

Davunetide Product Profile Perceptions

Neurologists agree that *davunetide* is valuable, unique, important and motivating to prescribe; less agreement that the product profile is clear and believable

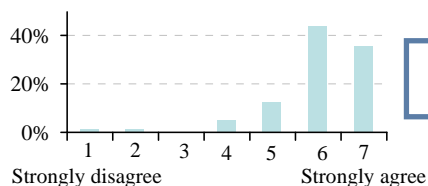
By % of Neuros:

Top 2 Bottom 2

Distribution

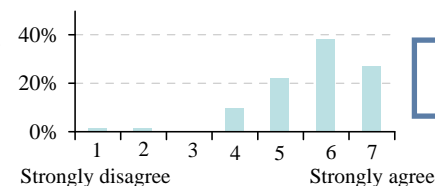
Top 2 Bottom 2

Valuable addition to my armamentarium



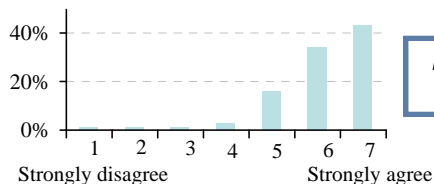
80% 2%

Important to my practice



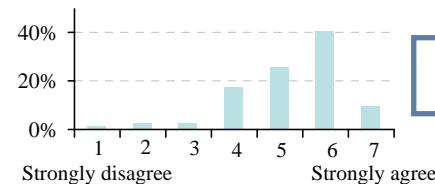
65% 2%

Offers a unique benefit



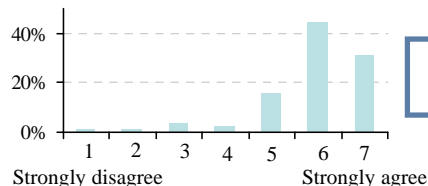
78% 2%

Clear



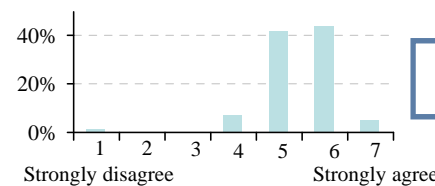
51% 3%

Important to my patients



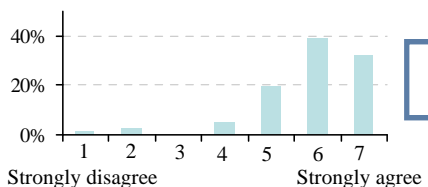
75% 2%

Believable



49% 1%

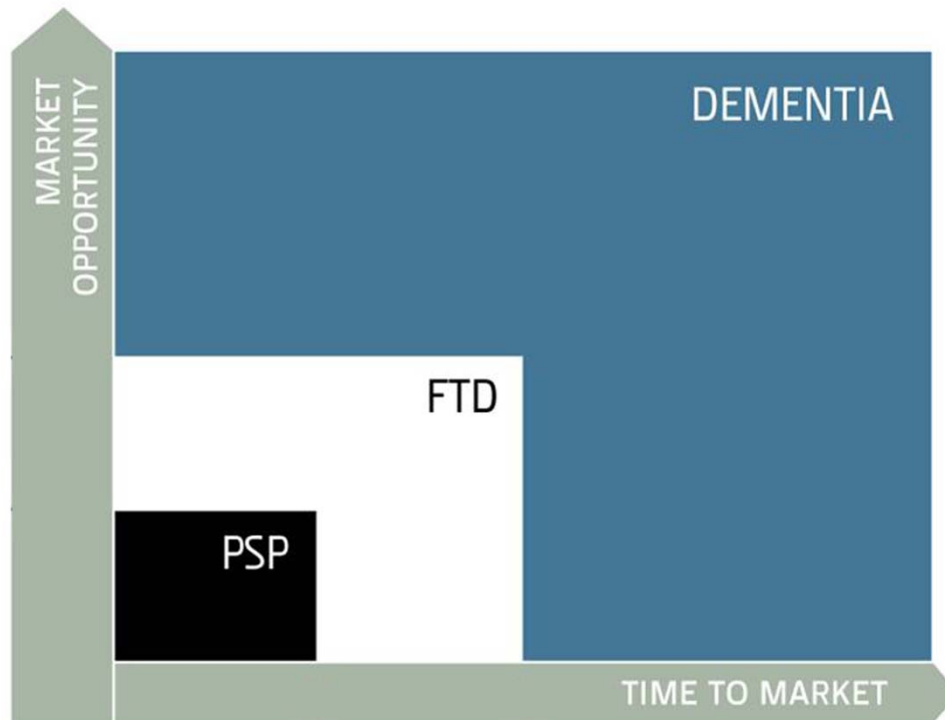
Motivating to prescribe



72% 3%

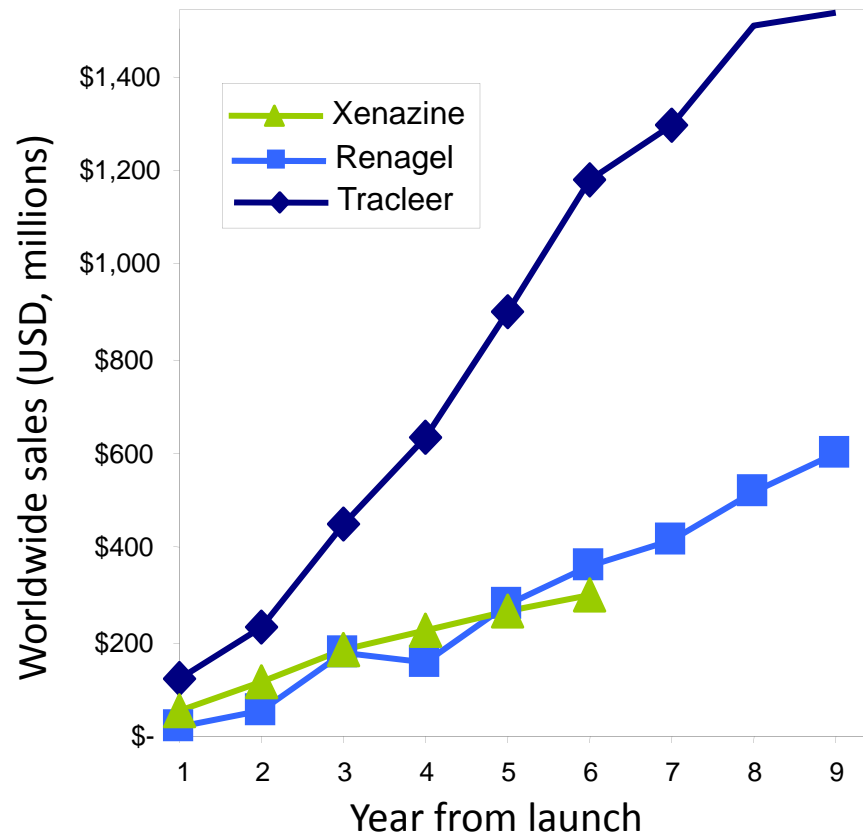
Q: Please select the response below which best describes your reaction to Product X for each of the statements below. Perceptions ordered descending by Top 2-box score. (N = 81)

Davunetide Commercialization Strategy



- > Pursue PSP as first approval (>\$700-mm market)
- > Move to other tau-FTDs post approval (~ 4x the market)
- > Use 2nd generation product to exploit major markets
- > Allon market in North America pursue commercialization partner xUS
- > Detail ~2,500 specialists at major centers

Orphan Drug Sales Potential



Xenazine forecasts from Year 3 (Medtrack)

- > Orphan drug sales can provide rapid sales growth and blockbuster potential

Balanced Clinical Development Strategy

	Indication	Preclinical	Phase 1	Phase 2	Phase 3
<i>Davunetide</i>	PSP	Completed	Completed	Completed	Underway
	Alzheimer's	Completed	Completed	Completed	
	Schizophrenia	Completed	Completed	Completed	
	Parkinson's	Completed	Completed		
2 nd Generation	Dementias	Completed			
AL-309	Neuropathy	Completed			
AL-408	Neuroprotection	Completed			
AL-508	Neuroprotection	Completed			

Completed
 Underway

Capital Snapshot

- > \$15.1-mm available for clinical development
- > ~78-mm shares (106-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 on memory, activities of daily living and imaging biomarker
- > International pivotal study underway with SPA
- > First clinical program validating the tau pathway
- > Blockbuster market potential
- > 15 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



www.allontherapeutics.com