

FULLY ENROLLED PIVOTAL STUDY TARGETING >\$750-MM MARKET DATA EXPECTED AT THE END OF 2012

FAST FACTS

SHARES OUTSTANDING: 100.6 M

STOCK EXCHANGE LISTING: TORONTO STOCK EXCHANGE (TSX)

STOCK SYMBOL: NPC

WEBSITE: www.allontherapeutics.com

2012: Q1

Investment highlights

- Allon completed the enrollment objective of 300 patients in October of 2011 in a pivotal Phase 2/3 clinical trial evaluating its lead product candidate, *davunetide*, as a potential treatment for Progressive Supranuclear Palsy (PSP), a type of movement disorder & dementia.
- Allon expects to complete the clinical trial and report data near the end of 2012.
- Allon raised \$5.4 million through an equity offering in October 2011 providing the financial resources to execute through major milestones.
- Strong intellectual property estate which includes 15 patent families, 60 issued patents and over 30 pending applications worldwide.
- Technology platform derived from naturally occurring neuroprotective proteins the human brain produces in response to disease or injury.

Pivotal trial in PSP

- Allon is conducting a pivotal Phase 2/3 clinical trial in PSP. The trial is fully enrolled.
- FDA and Allon have agreed on a Special Protocol Assessment (SPA) for this trial.
- Allon received Orphan drug designation for *davunetide* as a potential treatment for PSP in the United States (FDA) and the European Union, the world's two largest pharmaceutical markets.
- Allon received Fast Track status in the U.S. (FDA)
- This pivotal trial is based upon statistically significant human efficacy demonstrated in amnesic mild cognitive impairment, cognitive impairment associated with schizophrenia, and positive biomarker data.
- Approximately 25,000 and 50,000 persons, in the U.S. and EU respectively, have PSP and there is no approved treatment for this disease.

- PSP is associated with progressive disability (falls, eye movement abnormalities, and cognitive and personality changes) and death, often three years following diagnosis.

Orphan drug strategy

Allon's pivotal study is in an "orphan drug" disease called Progressive Supranuclear Palsy (PSP). This market is estimated at \$750 million, but with a more direct and less costly pathway than larger market opportunities. This strategy provides the opportunity to retain more of the value for Allon and its shareholders.

PSP is made more attractive by "orphan drug" regulations that streamline the approval process and exclude competition for several years. Many of the world's leading biotech and pharma companies have succeeded with this strategy.

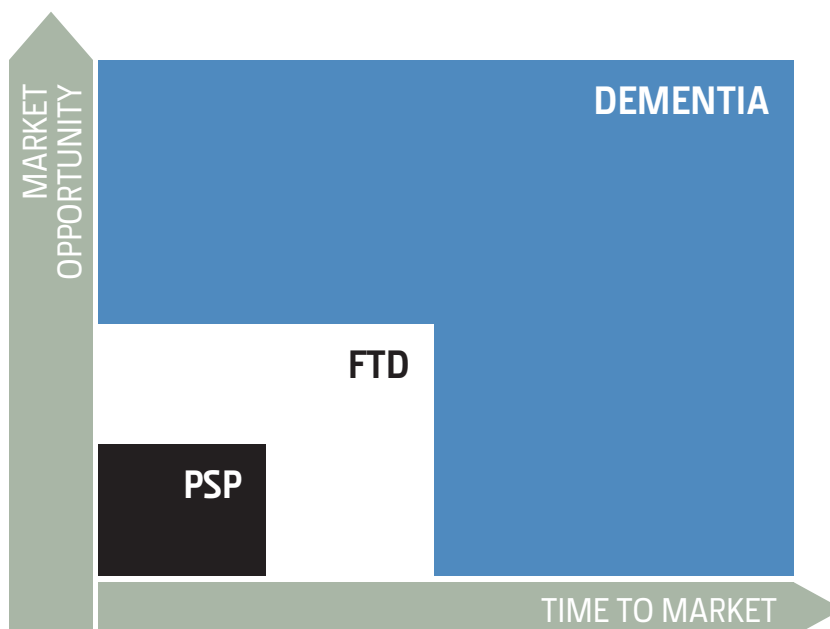
Allon believes this current clinical trial will not just provide data for a potential approval in PSP, but will also define the opportunity in other tau-related diseases, such as Alzheimer's, schizophrenia, Parkinson's and several types of frontotemporal dementia.

Because orphan drug designation does not restrict a drug from larger diseases, it will have no impact on the Company's strategy to seek approval in these larger markets, such as Alzheimer's, schizophrenia and Parkinson's in collaboration with a major pharma partner.

Special Protocol Assessment (SPA)

In January 2011, the Company announced that the Food and Drug Administration and Allon agreed on a Special Protocol Assessment, for its pivotal Phase 2/3 clinical trial in PSP.

The SPA is a mechanism through which the FDA and Allon reach agreement on the design, size, clinical endpoints, and data analysis of a clinical trial that is intended



to support an efficacy claim in a New Drug Application (NDA) for regulatory approval. The SPA ensures that the agreed clinical trial design meets the FDA's expectations for a pivotal study. Allon believes that if this pivotal study generates statistically significant and consistent data, *davunetide* will be considered by FDA for approval in PSP.

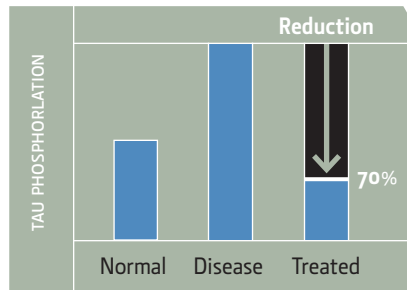
PSP rationale

There is a strong scientific rationale for Allon's strategy: The pathology of PSP involves impairment of the brain protein tau – and Allon's animal research plus Phase 2 clinical trial in pre-Alzheimer's patients demonstrate that *davunetide* is the most advanced tau therapy in the world.

Neuroprotection

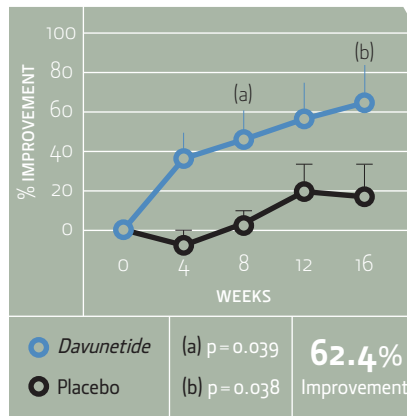
Davunetide is derived from a naturally occurring neuroprotective brain protein known as activity dependent neuroprotective protein (ADNP). Unlike currently-marketed therapies that only address the symptoms of neurodegenerative diseases, Allon's proprietary compounds have the potential to be disease modifying by preventing neuronal cell death. They have been shown to work at the cellular level to protect or shield neurons from injury and have been extensively validated in animal models of neurodegenerative diseases and trauma. Allon's human clinical and pre-clinical data suggest that *davunetide* works on microtubules, structures in the brain critical to communication between cells, and central to the tau pathway.

Davunetide repairs impaired tau (Frontotemporal dementias)



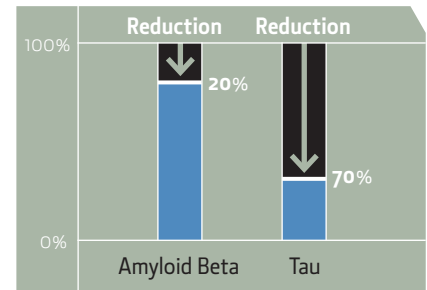
Studies have shown that *davunetide* can repair tau protein in the brains of mice that are bred to have a tau impairment, known as tau hyperphosphorylation, common to half of frontotemporal dementias (FTDs). Other studies have shown that these pathological improvements result in dramatically improved cognitive performance in these mice.

Davunetide improves recognition, short term and working memory



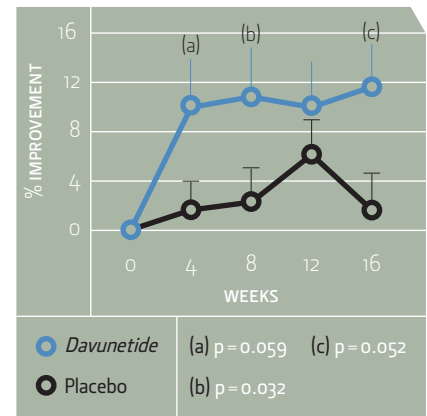
The Phase 2a clinical trial showed that *davunetide* improves memory function in aMCI subjects. The delayed match-to-sample test (12 sec delay) focuses on important areas of working, recognition and short-term memory which are important in aMCI and AD.

Davunetide reduces impaired tau (Alzheimer's)



Studies in mice bred to have Alzheimer's disease, show that Allon's *davunetide* is the first clinical compound in the world to have an affect on both pathologies of the disease: amyloid beta plaques and neurofibrillary tangles. Research has established that impairment of the brain protein tau is involved in tangles.

Davunetide improves short term memory



Davunetide provided improvement in memory function in a second test that is important in both aMCI and AD. This shows the activity of *davunetide* on memory which requires effective processing of language, speech and sub-vocal parts of the brain.



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Allon Therapeutics Inc. is a clinical-stage biotechnology company focused on bringing to market innovative central nervous system therapies. Allon's lead drug *davunetide*, is proceeding in a pivotal Phase 2/3 clinical trial in an orphan indication, progressive supranuclear palsy (PSP), under an SPA with the FDA. This pivotal trial is based upon statistically significant human efficacy

demonstrated in amnesic mild cognitive impairment, cognitive impairment associated with schizophrenia, and positive biomarker data. The Company is listed on the Toronto Stock Exchange under the trading symbol "NPC" and based in Vancouver.