STALLERGENES GREER DELIVERS DOUBLE DIGIT GROWTH AND SOLID BUSINESS PERFORMANCE IN THE FIRST HALF OF 2018; ANNOUNCES SENIOR LEADERSHIP SUCCESSION PLAN

- Net sales grew 10% year-over-year, reaching €142.3 million in reported currency
- EBITDA amounted to €27.6 million, a significant improvement compared to €8.3 million in H1 2017
- Investments in quality and manufacturing continued while focus on efficiency led to gross margin improvement and increased productivity
- Company delivered positive net income of €13.6 million and positive cash flow
- 2018 business outlook unchanged: Net sales €270-€280 million, EBITDA €40-€50 million
- Fereydoun Firouz, currently Chairman & Chief Executive Officer, to retire at the end of 2018 and to be succeeded by Michele Antonelli, currently Company's Executive Vice President for Europe & International
- The Board unanimously elected Stefan Meister, Board Director since 2015, to become Chairman of Stallergenes Greer plc as of January 2019

London (UK), August 29, 2018 – Stallergenes Greer, a biopharmaceutical company specialising in treatments for respiratory allergies, today announced its half-year results for the six-month period ended 30 June 2018.

H1 2018 Financial Highlights

	H1 (unaudited)		
(in € million)	2018	2017	% change
Net sales	142.3	129.6	10%
Gross margin	96.9	83.4	16%
Gross margin as a % of sales	68%	64%	
EBIT	17.4	(3.5)	n.a.
Net income/(loss)	13.6	(8.9)	n.a.
EBITDA	27.6	8.3	n.a.
EBITDA as a % of sales	19%	6%	

Fereydoun Firouz, Chairman and Chief Executive Officer of Stallergenes Greer, commented:

"Our performance through the first half of 2018 reflects our continued focus on business fundamentals: grow our share in priority markets and strengthen profitability to sustain investments. We delivered double digit sales growth in a competitive global market, despite reimbursement and pricing challenges in European and International markets. At the same time, we reduced our operating expenses by 12% while investing in quality at each of our global manufacturing sites and advancing our clinical pipeline.

Our ability to drive growth while controlling our costs resulted in another important milestone in our recovery that is critical for the future of our company: positive net income at €13.6 million compared to a loss of €8.9 million in the first half of 2017. We also succeeded in generating positive cash flow. As a result of these important milestones being reached, we now have the organizational flexibility, balance sheet stability and internal capability to pursue our goals. We will continue to grow and expand our current business and be opportunistic to accelerate our future growth through external innovation.

In the second half of 2018, we will solidify our leadership position in priority markets and continue to grow our share strategically across our Europe/International and Americas regions. We also expect to release initial results from the phase III clinical trial for our house dust mite tablet candidate STAGR320 later this year. Most importantly, we will sustain our commitments to quality and technical operations to offer a complete range of high quality subcutaneous and sublingual AIT treatments that meet the current global market demand, to position ourselves for future growth and to deliver long-term value creation."

Half-year net sales increased 10% because of continued growth across the product portfolio and regions

Net sales by region: Solid growth in Southern Europe and the United States

	H1 (unaudited)		
(in € million)	2018	2017	% change
Southern Europe	72.1	53.7	34%
North & Central Europe	17.9	18.5	(3)%
International	6.9	11.8	(42)%
United States	45.4	45.6	(0)%

The 10% increase year-over-year in first half net sales reflects strong growth in Southern Europe and in the United States. However, results in the United States were negatively impacted by foreign currency exchange. While reported sales were stable compared to the same period in 2017, the region delivered 12% year-over-year sales growth in local currency (USD).

Stallergenes Greer continued to gain share in the European grass tablet market with Oralair®[1] and in the German birch tree market with Staloral®[2]. In addition, the Company had a strong performance in France, Italy, Switzerland, the Benelux region, Slovakia and Russia. Sales in international markets were down due to a combination of effects from the application of the new revenue recognition standard from 1 January 2018[3] and a large shipment of products in the same period of 2017 to prepare for in-market launches.

In the United States, Stallergenes Greer has strengthened its leadership of the bulk allergen market by executing on a recalibrated marketing approach as well as by maximising production capabilities to meet the demand of a market-wide shortage of priority allergens during a high allergy season in the United States.

Net sales by product category: Sublingual sales grew in EU/International while United States strengthened leadership position in subcutaneous

	H1 (unaudited)		
(in € million)	2018	2017	% change
Sublingual[4]	91.3	76.9	19%
Subcutaneous[5]	34.7	36.9	(6)%
Veterinary	4.3	5.0	(14)%
Other products[6]	12.0	10.8	11%

In the first half 2018, sublingual product sales increased 19% to €91.3 million from the first half of 2017, primarily driven by Staloral as a result of market share gains in priority markets, a strong performance in the paediatric market and, to some extent, the industry-wide shortage of subcutaneous immunotherapy treatments in Europe.

In the subcutaneous product category, the Company reported first half 2018 sales of €34.7 million, a 6% decrease compared to 2017. In Europe/International, sales decreased as a result of production delays at the Company's Antony facility. In the U.S., solid sales growth was offset by the negative impact of foreign currency exchange.

First half 2018 veterinary sales declined 14% to €4.3 million compared to the same period of 2017, due to increased competition in this segment and the negative impact of foreign exchange. Sales from the other product category grew 11% year-over-year to €12.0 million in the first half of 2018 as a result of captured market opportunities in the U.S.

[1] Source: IQVIA MIDAS
[2] Source: Insight Health
[3] IFRS15
[4] Product category includes oral drops (Staloral) and tablets (Oralair and Actair®)
[5] Product category includes Named Patient Prescription products and bulk allergens
[6] Product category includes diagnostic and ancillary products

Operational efficiencies delivered margin improvement and return to positive net income

Stallergenes Greer's first half 2018 gross margin of €96.9 million represented a margin of 68% of net sales, compared to 64% in the prior year first half. In addition, efficiency measures continued to deliver significant cost savings and the Company reported a positive first half 2018 EBIT of €17.4 million, compared to a loss of €3.5 million in the same period of 2017. First half 2018 EBITDA increased by €19.3 million to €27.6 million as a result of a €12.7 million increase in sales as well as a 12% decline in operating expenses, from €86.8 million in the first half of 2017 to €76.6 million in the same period of 2018. The Company reported a net income of €13.6 million in the first half of 2018, compared to a net loss of €8.9 million in the same period of 2017. As of 30 June 2018, the Company's shareholders' equity represented 83% of the balance sheet total.

Company continues to invest in innovation to fuel long-term growth

Stallergenes Greer is committed to developing innovative therapies for major respiratory allergies and invested €20.1 million in R&D in the first half of 2018, primarily to fund the phase III global multi-centre clinical trial for the Company's tablet candidate STAGR320 for the treatment of house dust mite-induced allergic rhinitis. With more than 1,600 patients enrolled, this is the largest study conducted to assess the efficacy and safety of a sublingual immunotherapy tablet treatment. The Company expects to release top line results from the trial during the fourth quarter of 2018.

In addition, Stallergenes Greer announced positive results from two real-world evidence studies regarding the use of allergy immunotherapy (AIT) compared to the use of only symptomatic treatments to treat patients with respiratory allergies in June 2018. These studies were retrospective longitudinal analyses of French and German prescription databases and further substantiated the long-term benefits of AIT to significantly reduce the need for allergic rhinitis and asthma medication in patients suffering from grass pollen- and birch tree pollen-induced allergies. These studies are part of the BREATH real-world evidence program, which is designed to understand the real-world benefits of AIT outside of a clinical trial setting.

Investments in Quality and Technical Operations to continue

Stallergenes Greer continued investments in Technical and Quality Operations capabilities at all its manufacturing sites to comply with evolving regulatory requirements and the latest Good Manufacturing Practice (GMP) biological manufacturing standards; to strengthen its quality culture across the organisation; and to ensure product quality and patient safety for all released and distributed products.

During the first half of 2018, the Company successfully completed maintenance of its manufacturing operations with major renovations and upgrades. In France, the Company continued to progress on its remediation plan to address observations related to a 4 January 2018 injunction for its Antony facility from the National Agency for Medicines and Health Products Safety (ANSM), including renovation to key manufacturing areas, employee training and an enhanced quality system focused on consistency across operations. In the U.S., the Company continued to strengthen its quality system and introduced state-of-the-art manufacturing technologies and advanced initiatives to increase capacity.

The company also demonstrated its manufacturing flexibility to meet market demands during the first half of 2018. In France, the company increased production of sublingual products to partially offset the temporary shortage of injectable products in the European/International markets and sourced a new venom supply to meet a market shortage in Europe and Asia. In the U.S., the company increased its volume and delivered high priority allergens.

2018 Business Outlook unchanged

The Company expects 2018 net sales to be in the range of €270 million to €280 million and EBITDA to be in the range of €40 million to €50 million.

Senior Leadership Succession Plan

Fereydoun Firouz, currently Chairman & Chief Executive Officer, has informed the Board of his decision to retire from these positions at the end of 2018. He will be succeeded at that time as Chairman by Stefan Meister, a member of the Board since 2015, and as Chief Executive Officer by Michele Antonelli, currently Executive Vice President, Head of Europe & International & President of Stallergenes SAS. The announcement comes at the culmination of the successful turnaround of the Company led by Fereydoun Firouz. Stallergenes Greer is now well positioned to regain its global market leadership and continue its positive business momentum.

Fereydoun Firouz said "*Stallergenes Greer is a special company with an inspiring purpose and highly dedicated people. By the end of 2018, I will have been Chairman and CEO for nearly four years and I believe this is the right time for a new leader to build upon what has been accomplished. I have been privileged to work with a passionate leadership team to successfully overcome some challenging phases and ultimately deliver the strong results we published today. These results demonstrate our achievements and the Company can now look to the future with great confidence. Michele has been an instrumental leader in the Company's success over the past three years. He has the expertise and experience to take the lead as CEO and drive Stallergenes Greer to its next phase of growth*."

Fereydoun continued "*I will leave the Company in very good hands and at a time when the strategy we devised and executed is showing through in our financial results and market performance. My colleagues on the Board of Directors and the management team have the knowledge and abilities to take the Company to new heights and capitalise on our product, manufacturing, and geographic opportunities. I would also like to thank the Board and our shareholders for their resolute support at all times and wish the very best success to the Company*."

"On behalf of the Board and our shareholders, I would like to recognise and thank Fereydoun for his remarkable contribution to the Company and its performance." said Elmar Schnee, an Independent Director and the Chairman of the Remuneration and Appointment Committee. "*Fereydoun oversaw the creation of the Company through the successful integration of Stallergenes and Greer Laboratories in 2015 and then led it through the resolution of significant problems from an earlier implementation of Enterprise Resource Planning software that unfortunately temporarily halted the supply of products in early 2016 to its major markets*."

He concluded by saying "*Fereydoun combined a determination and relentless commitment to meeting challenges, with a penetrating vision to first develop and then implement a strategy to successfully bring the Company back to a path of growth and profitability. There is no doubt that the strength of the Company today is due to his leadership, of both the Company's strategy and its great people. We recognise these achievements and are truly grateful for Fereydoun's dedicated service and for assisting the process of transition until the end of 2019*."

The Chairman-designate, Stefan Meister, then welcomed Michele Antonelli to the role of Chief Executive Officer and said "*In Michele we are fortunate to have ready the leader for the next phase of the Company's development. His experience and insight, combined with his commitment and passion for the business, are the ideal combination of talent and motivation for the future of Stallergenes Greer. I look forward to serving as Chairman and join Elmar in thanking Fereydoun for his great service to the Company over the last four years.*"

Commenting on his appointment, Michele said today "*I am honoured to have been invited to take on the role of CEO of Stallergenes Greer. This Company is a global leader in an important and growing market and makes a real difference to the lives of the patients it serves. The transformation driven by Fereydoun over the last four years leaves us in a remarkable place, ready to move forward and deliver even more outstanding results for all its stakeholders. I am delighted to accept this position at such an exciting time and look forward to working with the team of great professionals Fereydoun has attracted to the Company and build upon the strong foundations he has secured for this fantastic business.*"

Michele Antonelli has more than 20 years of international experience in the biopharmaceutical industry with extensive expertise in both manufacturing and commercial. He previously worked at UCB, the multinational biopharmaceutical Company, where he held roles of various responsibility and scope, most recently serving as Executive Vice President and Head of Immunology Europe, overseeing the region's commercial, medical, and market access activities. Prior to joining UCB, Michele spent 16 years at Merck Serono, ultimately serving as Senior Vice President and Global Head of Biotech Manufacturing and Process Development.

The Company and Fereydoun Firouz will enter into an agreement governing Fereydoun Firouz's retirement from the Company that reflects the terms of his existing contract of employment. This agreement contemplates a one-year garden-leave period that will run through to the end of 2019, consistent with Fereydoun Firouz's existing one year undertaking to not compete with the Company. During this one-year garden-leave period, Fereydoun will assist as needed with the transition to the Company's new leadership, providing support as required to Michele Antonelli and to the Board and management team generally when requested. At the end of 2019, Fereydoun Firouz will leave the Company's employment and be entitled to the severance terms set out in his existing contract.

Webcast and Conference Call Information

Stallergenes Greer will host an Investors and Analysts meeting tomorrow, 30 August 2018. The event will be available via live webcast at 10:30 am GMT / 11:30 am CET / 5:30 am EDT. The webcast will be available via the following link: https://edge.media-server.com/m6/go/STAGR_18HY and on the Company's website, http://stallergenesgreer.com/financial-calendar-events.

Participants are asked to connect at least 15 minutes prior to the conference call to register, download and install any necessary audio software.

ABOUT STALLERGENES GREER PLC

Headquartered in London (UK), Stallergenes Greer plc is a global healthcare company specialising in the diagnosis and treatment of allergies through the development and commercialisation of allergy immunotherapy products and services. Stallergenes Greer plc is the parent company of GREER Laboratories, Inc. (whose registered office is in the US) and Stallergenes SAS (whose registered office is in France).

TRADING INFORMATION

Name: Stallergenes Greer
ISIN: GB00BZ21RF93 1 - Ticker: STAGR
ICB Classification: 4577
LEI: 213800CYVZA7GJQEME86
Market: Euronext Paris regulated market

Additional information is available at http://www.stallergenesgreer.com.

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. These and other factors are more fully described in the Company's 2017 annual report published on 16 April 2018 on the Company's website www.stallergenesgreer.com. 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.

CONTACTS

Communications and Investor Relations
Natacha Gassenbach
Tel: +1 (617) 682 2626
Email: natacha.gassenbach@stallergenesgreer.com

Caitlin Stefanik
Tel: +1 (857) 331 4117
Email: caitlin.stefanik@stallergenesgreer.com

Media Relations Agency
Havas Paris (Europe)
Samuel Rousseau
+33 6 77 88 32 43
E-mail: samuel.rousseau@havas.com

Investor Relations Agency
FTI Consulting
Arnaud de Cheffontaines
Tel: +33 1 47 03 68 10
Email: stalleregenesgreer@fticonsulting.com

TABLE OF CONTENTS

The financial information set out above does not constitute the Group's financial statements for the period ended 30 June 2018 and 2017 but are derived from those statements. The annual report for 2017 have been delivered to the UK Companies House. The auditor has reported on those statements. Their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under Section 498 (2) or (3) Companies Act 2006 or equivalent preceding legislation. While the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement itself does not contain sufficient information to comply with IFRS.

The Group published full financial statements that comply with IFRS that are available on its website at http://stallergenesgreer.com/half-year-report.

The financial statements were approved by the Board of Directors on 29 August 2018.

Consolidated income statement as of 30 June 2018

For the period ended 30 June 2018

€ thousands	**30 June 2018**	30 June 2017
Net sales	142,327	129,615
Other revenue	57	10
Total revenues	**142,384**	129,625
Cost of goods sold	(45,531)	(46,265)
Gross margin	**96,853**	83,360
Distribution costs	(5,439)	(5,383)
Selling and marketing expenses	(24,447)	(29,894)
Administrative expenses	(24,626)	(28,807)
Other general expenses	(3,168)	(1,027)
Selling, general and administrative expenses	**(57,680)**	(65,111)
Research and development costs (R&D)	(20,132)	(24,947)
R&D-related income	1,189	3,225
Net R&D costs	**(18,943)**	(21,722)
Operating result (EBIT) before transformation costs	**20,231**	**(3,473)**
Transformation costs	(2,800)	–
Operating result (EBIT)	**17,430**	**(3,473)**
Financial income	3	20
Financial expenses	(401)	(847)
Net financial expense	**(398)**	(827)
Net income / (loss) before tax and associates	**17,032**	**(4,300)**
Income tax	(3,394)	(4,582)
Share of loss from associated companies	–	(8)
Net income / (loss) for the period	**13,638**	(8,890)

All the activities were in respect of continuing operations.
The basic profit and diluted net income per share for the six months to June 2018 was € 0.69 (June 2017: loss of € 0.45)

Consolidated balance sheet as of 30 June 2018

As at 30 June 2018

€ thousands	30 June 2018	31 December 2017
Goodwill	199,711	195,187
Other intangible assets	67,878	70,913
Property, plant and equipment	66,768	69,138
Non-current financial assets	4,279	3,957
Deferred tax assets	26,717	26,754
Other non-current assets	237	237
Non-current assets	**365,590**	366,186
Inventories	60,828	56,793
Trade receivables	26,030	33,199
Current financial asset	732	684
Other current assets	10,888	9,231
Current income tax receivable	661	611
Research tax credit and subsidies receivable	26,151	22,708
Cash and cash equivalents	70,702	50,849
Current assets	**195,991**	174,075
Total assets	**561,581**	540,261
Share capital	19,788	19,788
Share premium	539	539
Merger and contribution premium	342,149	342,149
Revaluation reserve	(236)	(236)
Retained earnings	103,448	85,086
Group shareholders' equity	465,688	447,326
Non-controlling interests	–	–
Total shareholders' equity	**465,688**	447,326
Provision for employee retirement obligations and related benefits	3,560	3,442
Non-current provisions	526	514
Non-current financial liabilities	6,318	6,318
Deferred tax liabilities	6,432	6,283
Non-current liabilities	**16,836**	16,557
Trade payables	23,836	19,793
Current provisions	4,547	2,115
Current financial liabilities	12,378	12,204
Income tax payable	2,538	1,313
Other current liabilities	35,757	40,953
Current liabilities	**79,057**	76,378
Total equity and liabilities	**561,581**	540,261

Consolidated cash flow statement as of 30 June 2018

€ thousands	**30 June 2018**	30 June 2017
Cash flow from operating activities		
Group share of net income / (loss)	13,638	(8,890)
Share of earnings from equity accounted investments	–	8
Tax	3,394	4,582
Net financial result	398	827
Amortisation and depreciation charges	11,728	11,752
Change in provisions	2,620	(3,048)
Share-based compensation	976	1,391
Capital losses from disposal of assets	1,090	49
Financial (profits) / losses excluding interest	(2)	(385)
Operating cash flow before changes in working capital	**33,842**	6,286
Current income tax paid	(2,418)	(961)
Change in subsidies and R&D tax credit receivables	(3,253)	(3,585)
Change in working capital of operating activities	(1,681)	(13,375)
Change in deferred income	82	(315)
Net cash flow from operating activities	**26,572**	(11,950)
Cash flow from investing activities		
Purchase of non-current assets	(8,319)	(4,653)
Acquisition of investments in consolidated undertakings, net of cash acquired	–	–
Proceeds from sale of non-current assets	2,363	2,274
Change in working capital of investment activities	(906)	(2,234)
Net cash flow from investing activities	**(6,862)**	(4,613)
Free cash flow after investing activities	**19,710**	(16,563)
Cash flow from financing activities		
Treasury shares transactions	48	374
Net financial interest received / (paid)	(396)	(441)
Repayment of bank overdrafts	(8)	(238)
Repayment of borrowings	(5,368)	(15,704)
Proceeds from borrowings	5,393	9,766
Net cash flow from financing activities	**(331)**	(6,243)
Change in cash and cash equivalents	**19,379**	(22,806)
+ Cash and cash equivalents – opening balance	50,849	*71,262*
-/+ effect of translation adjustment on foreign currency - denominated cash	474	*(811)*
= **Cash and cash equivalents – closing balance**	**70,702**	47,645