Jefferies Healthcare Conference

London, 20 November 2013

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Highlights

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From our interim financial results 2013/14

Operational highlights

- Approval of Ultibro® Breezhaler® in Europe
- Approval of Ultibro® Inhalation Capsules in Japan
- Co-development of innovative product with UCB
- Chinese JV established

Financial highlights

- Revenues of £17.0m in line with expectations
  - New royalty streams starting
- Positive EBITDA of £2.3m
- Loss before tax of £1.2m
- Robust balance sheet
  - Cash and cash equivalents of £65.5m

Financial highlights

£m	H1 2013/14	H1 2012/13	FY 2012/13
Revenue	17.0	17.0	30.5
Gross profit	16.9	16.9	29.8
EBITDA	2.3	2.6	(3.4)
Loss before tax	(1.2)	(1.1)	(10.4)
Cash	65.5	72.1	70.1

Positive EBITDA of

£2.3m

(H1:2012/13 - £2.6m)

Balance sheet strength maintained with cash of

£65.5m

(FY:2012/13 - £70.1m)

Overview & outlook

Vectura today

Marketed & late-stage respiratory programmes licensed to Novartis

- Seebri® Breezhaler® (glycopyrronium bromide, NVA237) launch underway in EU & Japan
- Two late-stage, branded, investigational assets: NVA 237 (US) & QVA149 (US)
- Comprehensive development programmes for both drugs fully funded by Novartis

Pipeline portfolio encompasses both branded & generic respiratory drugs

- Ultibro® Breezhaler®(QVA149) approved in Europe and Japan
- Novel biological asset (VR942) from UCB added for severe respiratory disease indication
- Three generic programmes underway; FDA guidelines are a positive step

Kinnovata Pharmaceutical

JV in China announced on 13 May 2013

- Access to fast growing Asian respiratory markets
- No cash outlay; leveraging our entire asset base

Strong balance sheet with £65.5m in cash

- Supported by existing royalty streams and additional near-term milestone payments
- New growing royalty streams starting
- Complimented by a disciplined approach to cost control

Assets licensed to Novartis

Seebri® Breezhaler® & Ultibro® Breezhaler®

- Seebri® Breezhaler® approved in more than 50 countries[1]
  - Including the EU, Japan, Switzerland, Canada & Australia
  - Market roll out is underway by Novartis
- NVA237 Phase III clinical trial programme for US on-going
  - Being undertaken by Novartis
  - US filing expected H1, 2014
- Ultibro® Breezhaler® approved in Europe and Japan[2]
  - Launched in the Netherlands and Germany
  - New royalty streams to Vectura anticipated from Q1, 2014
- Novartis expected to file QVA149 in US by end 2014
  - Comprehensive COPD registration trial programme undertaken by Novartis

[1]Seebri® Inhalation Capsules in Japan [2] Ultibro® Inhalation Capsules in Japan
Seebri® Breezhaler® & Ultibro® Breezhaler® are registered trademarks of Novartis AG

VR942 A novel biological therapy

Targeting severe inflammatory airways disease

- Co-development with UCB
- Endorses Vectura's capability to develop a range of inhaled drugs
  - Formulation and delivery of large and potentially complex molecules
  - Leverages technical, clinical and regulatory expertise
- Commercially-attractive market segment
  - Severe inflammatory respiratory disease
- Co-development deal; early-stage
  - Adds a partner with excellent pedigree in biologicals and immunology
  - Innovative asset with attractive, undisclosed terms

Respiratory generics

Partnered for success

- Understanding of complex regulatory requirements
  - Significant interaction with regulators and fit with our on-going process, particularly the EMA and FDA
- Draft FDA guidelines provide clarity

Dose response pharmaco dynamics → **Single 4 week bioequivalence study**
One dose level
Defined endpoint (FEV_1)

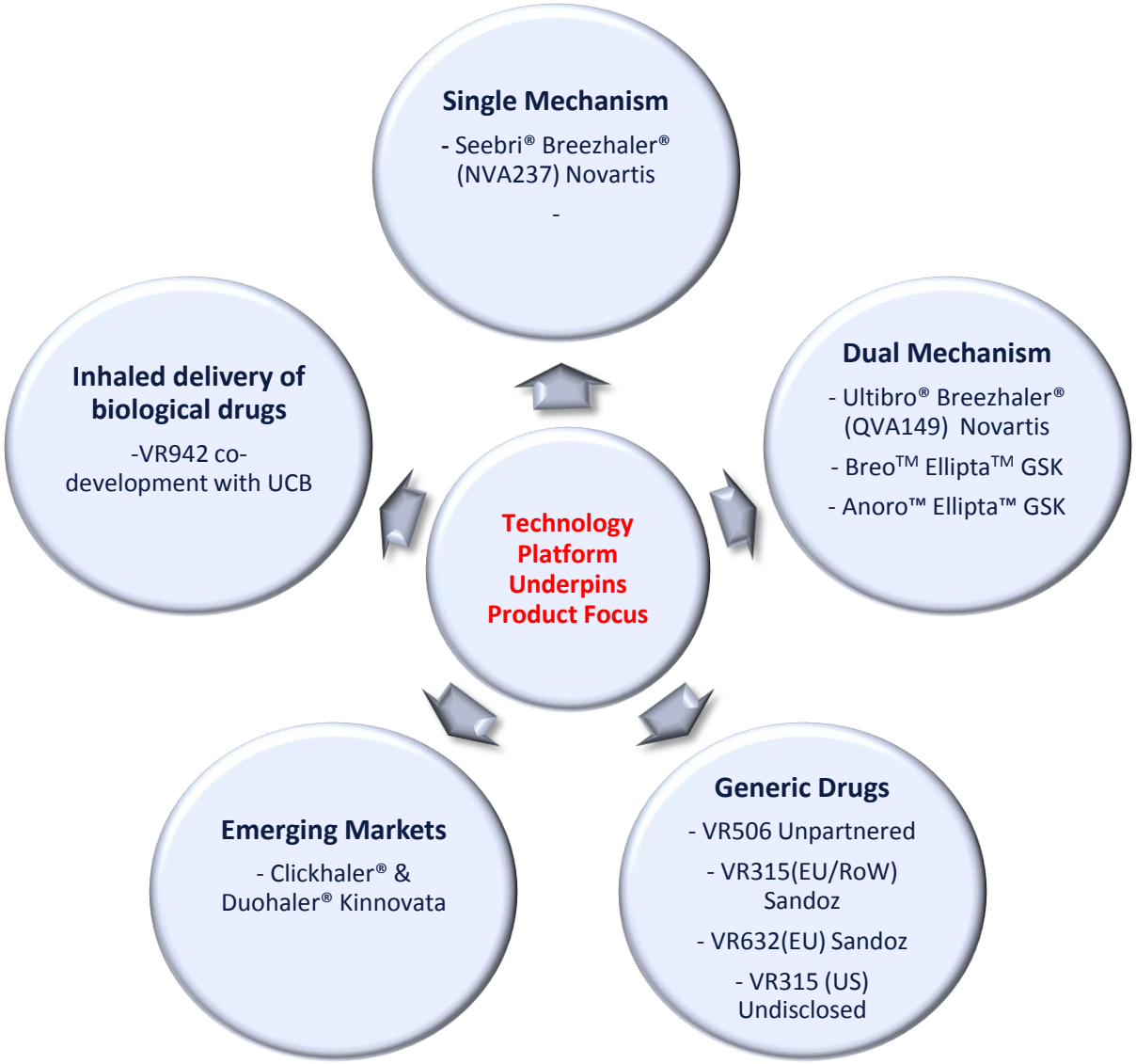
- Remainder of guidelines remain the same
- Similar device shape and instructions
  - Qualitative and quantitative formulation (same ingredients in same ratio as reference; +/- 5%)
  - *In vitro* equivalence at three flow rates (30, 60, 90 litres/min)
  - Pharmacokinetic bioequivalence

Respiratory generics

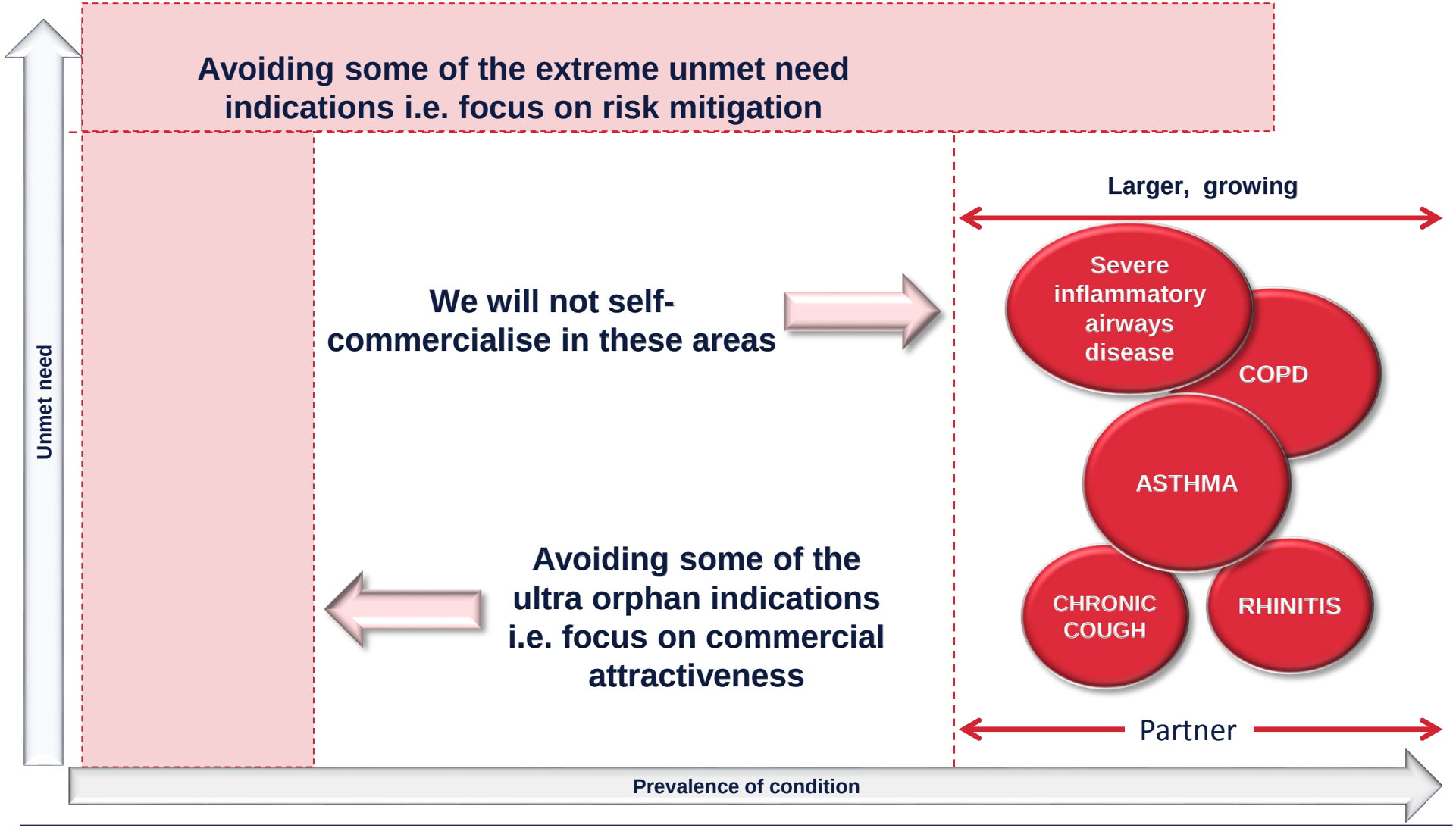
Leveraging our in-house expertise and know-how

- Focus on high-value, non-commodity products
  - VR315 - Licensed in EU/RoW (Sandoz) and in US (undisclosed partner)
  - FDA guidelines positive for companies developing “substitutable products”
  - VR632 - Licensed in EU (Sandoz)
- VR506 - Development on-going; strong out-licensing candidate
  - Two international, multi-centre clinical trials underway in mild-moderate and moderate-severe asthma
    - Trial 002: 374 patients; recruitment complete; top line results positive
    - Trial 004: 174 patients; expected read-out during H1, 2014
- Delivery device technology - competitive product design
  - Performance engineered to match brand-leaders
  - Easy-to-use utilising an inexpensive, minimalist design
  - Accurate, reproducible dosing through excellent protection of the powder formulation

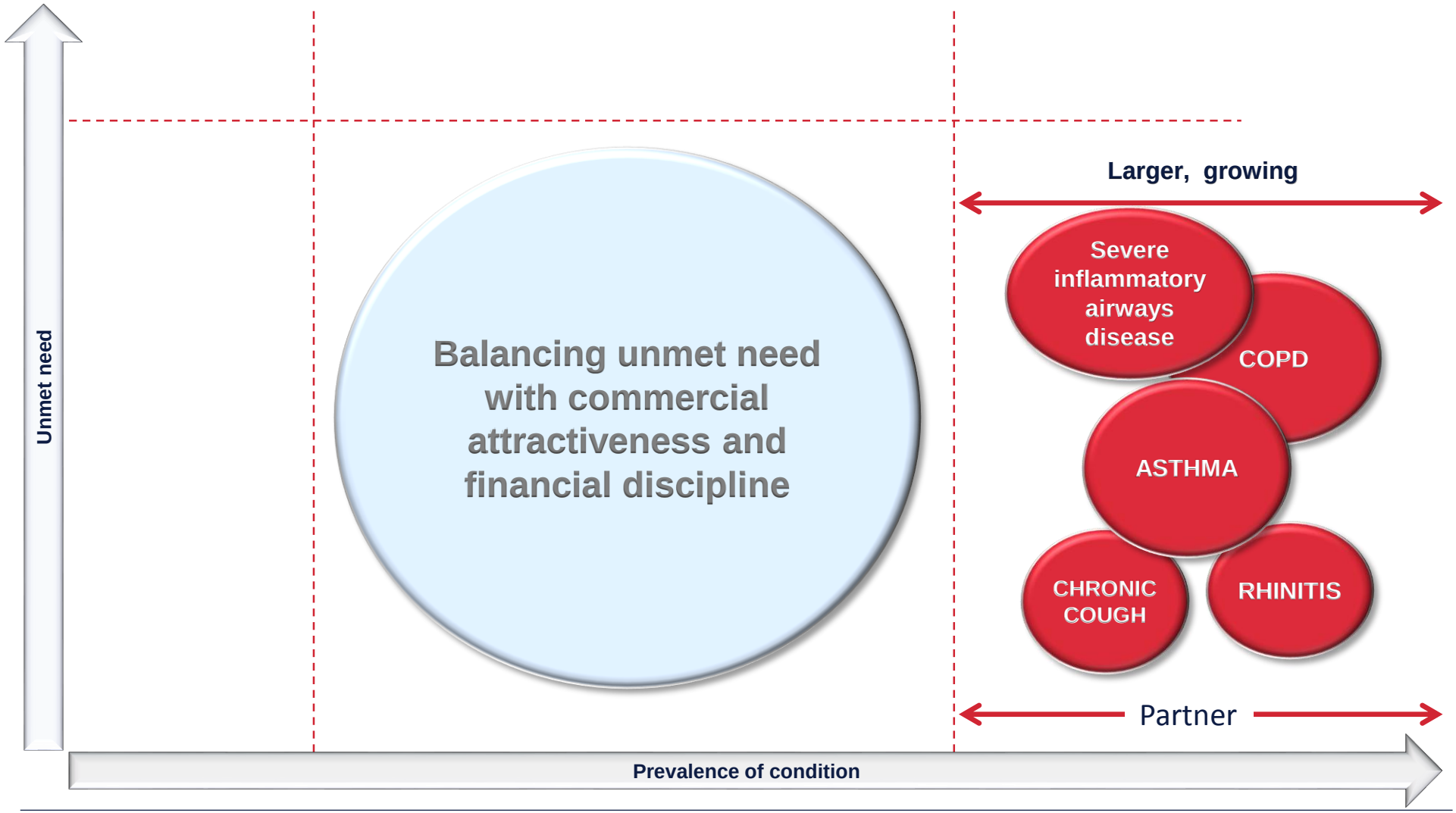
Vectura's current position in the market



New areas will be targeted



Identifying our focus



Summary

Business Model	• Validated by continually increasing number of new partners • License agreements include Novartis, Sandoz, BI, GSK, KingYork & UCB
Branded Drugs	• Significant clinical and regulatory success • First launches of Seebri® Breezhaler® are underway by Novartis • First launches of Ultibro® Breezhaler® are underway by Novartis
Generic Drugs	• Programmes continue to make progress • VR506 has one international multi-centre study on-going • VR506/002 clinical trial top-line data positive
Emerging Markets	• Leverage all of our assets in a prudent manner
Strategy	• Willing to consider increased risk for greater share of economics • Evaluating multiple opportunities from out-licensing through co-development to self-commercialisation • Prudent, strategic and focus on capital discipline

Seebri® Breezhaler® (glycopyrronium bromide, NVA237), *is a registered trademark of Novartis AG*

Upcoming events

- Progress of Seebri® Breezhaler® reported quarterly
  - $18m in sales in H1, 2013
  - US filing anticipated in H1, 2014
- QVA149 launch in Japan & Europe imminent
  - First in class of major new drug class
  - Significant milestones triggered by approvals
  - Additional growing royalty stream to Vectura from Q1, 2014
  - US filing anticipated in H2, 2014
- VR506 clinical trial top line readout (004) expected in H1, 2014
  - Important trigger for partnering discussions
- New Board appointment
  - Bruno Angelici will join Board on 1 December, 2013
  - Will become Non-executive Chairman on 1 February, 2014
  - Business update planned for Q1, 2014