



Vectura Group

September 2015

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Strong foundations for progress



Potential for significant organic revenue growth

- >20% CAGR to 2022 – potential milestone income >US\$200m
- Marketed portfolio of partnered products performing well

Cutting-edge formulation and device technology

- Innovation and market validation drives our success
- Licensing deals have potential to accelerate value creation

Strong pipeline targeting a total market size greater than US\$25 billion

- Potential for >9 assets to launch through to 2022
- Pre-commercialisation milestone potential >US\$140m

Potential to grow and maximise value

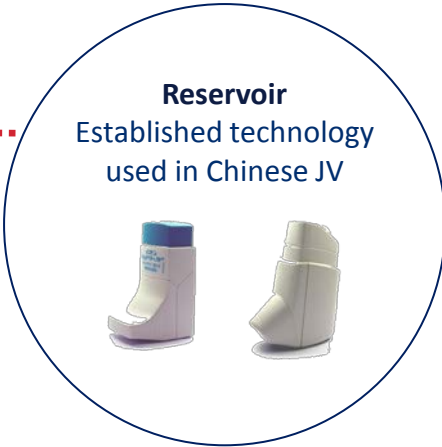
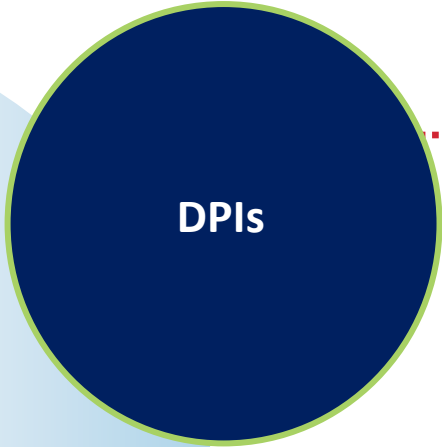
- Quality of earnings improving
- Clear strategy in place to achieve corporate goals

Our strategy aims to create significant value for all stakeholders through the development and commercialisation of innovative products in airways diseases

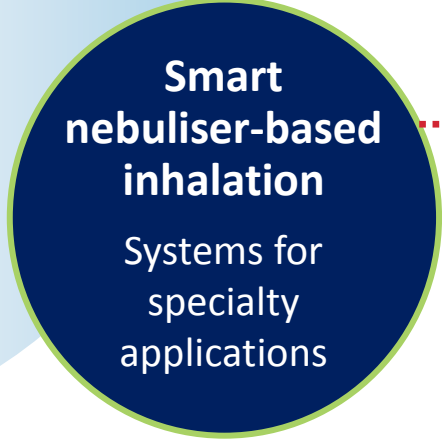
An unparalleled breadth of delivery technologies

Underpins our product development focus

Breadth of inhalation formulation technologies



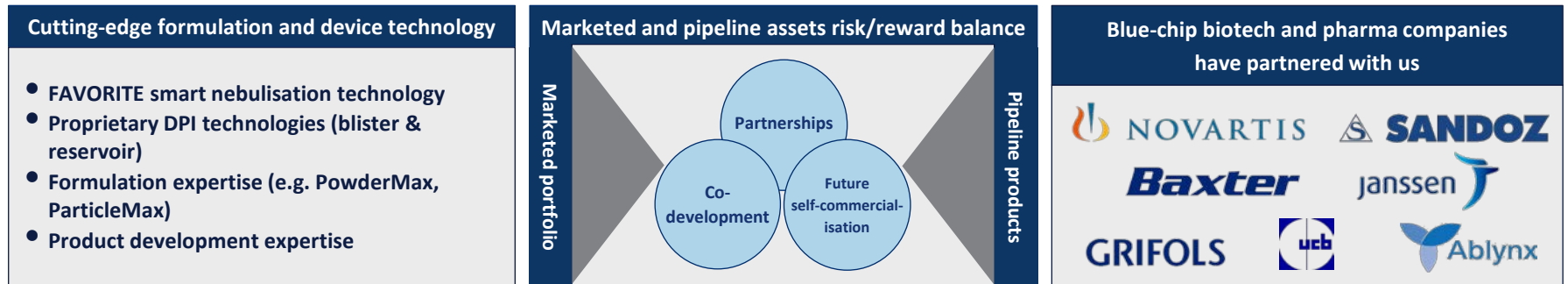
Product development expertise in both small & large molecules



*Smart nebuliser technology utilises FAVORITE (Flow And Volume Regulated Inhalation TEchnology)

Delivering value from our world class technologies

Validated by multiple partnerships



1

We innovate
to maintain our position
as “partner of choice”

2

We develop
our pipeline to optimise
the cash/reward balance

3

We collaborate
with our partners through
appropriate commercial structure

Partnerships with top-tier pharma companies such as Novartis, Sandoz, Baxter, Janssen

New royalty streams target large markets

Form basis of sustainable organic growth

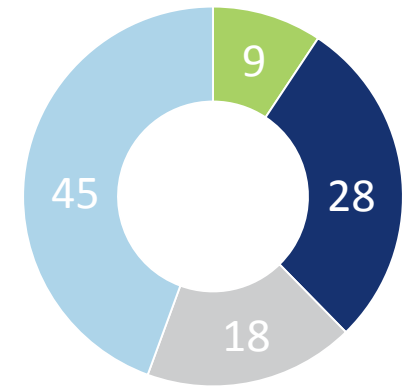


NOVARTIS **SANDOZ**

- Products in their growth phase
- Approvals in new geographies
- New product launches



Estimated total value (%) of drug classes in 2018¹ >\$22bn



- ICS
- LAMA
- LABA + LAMA
- LABA + ICS

We have a rapidly growing, diversified revenue stream

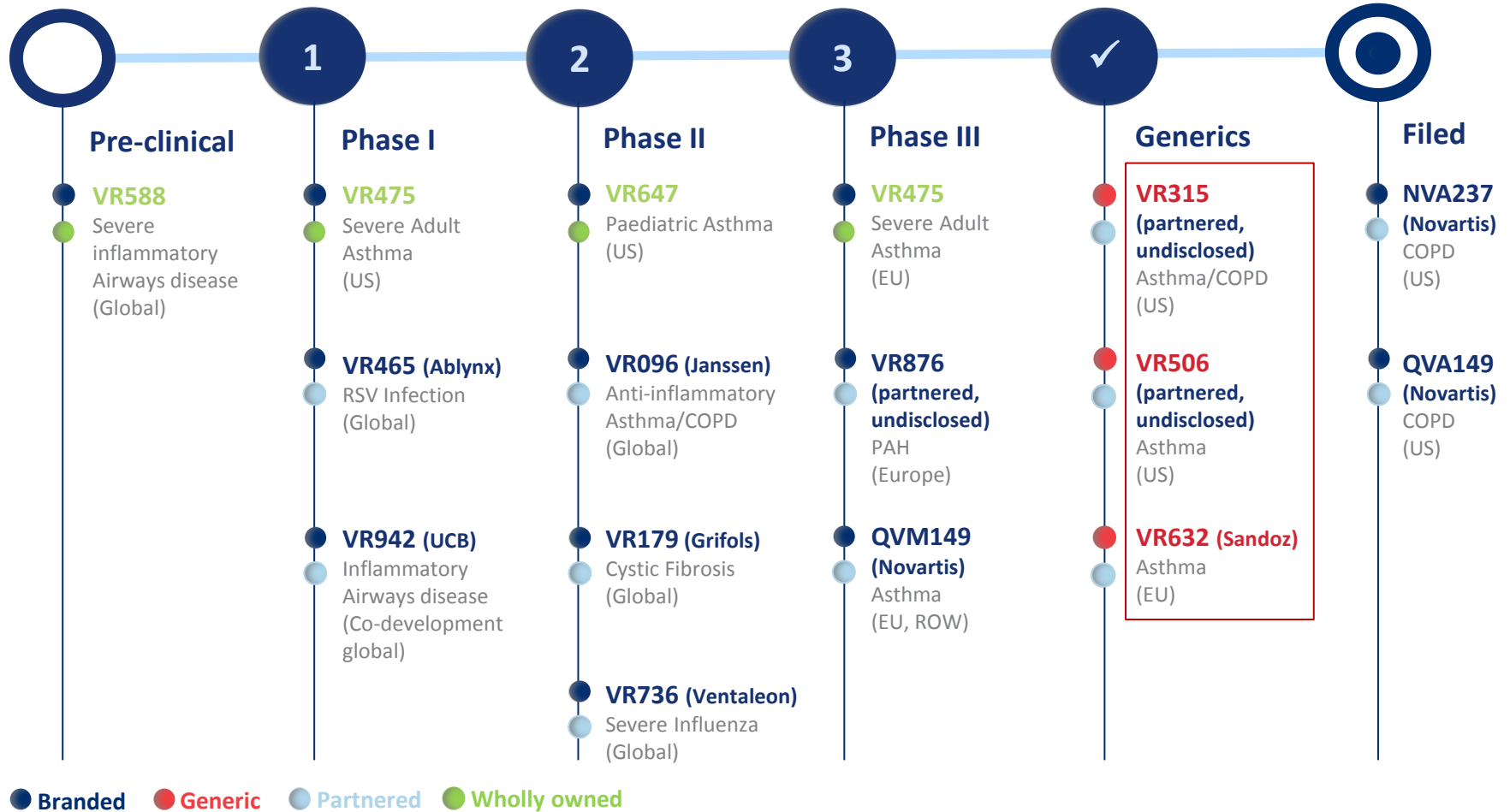
¹ Source: Bloomberg analyst consensus estimates

Photos of Seebri® Breezhaler® and Ultibro® Breezhaler® courtesy of Novartis AG. Ultibro®, Seebri® Breezhaler®, AirFluSal® and Forspiro® are registered trade marks of Novartis AG. Anoro® Ellipta®, Relvar®/Breo® Ellipta® and Incruse® Ellipta® are registered trade marks of GSK, photos courtesy of GSK

Highly valuable and growing pipeline



Significant peak sales potential from late-stage products



Potential for >9 assets to launch by 2022

Financial highlights



Revenue growth

Driven by 55% increase in royalties

+ 59%

£58.0m

(FY 2013/14 £36.5m)

EBITDA¹ progression

+ 212%

£16.2m

(FY 2013/14 £5.2m)

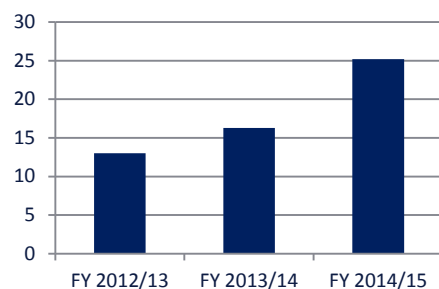
Adjusted² basic EPS growth

+ 150%

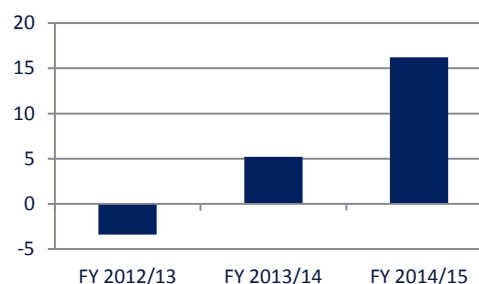
4.0p

(FY 2013/14 1.6p)

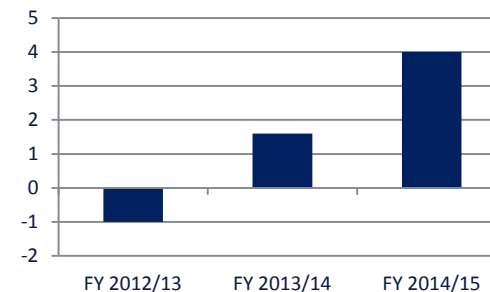
Royalty income



EBITDA¹ progression



Adjusted² basic EPS growth



EBITDA¹ growth driven by increasing royalty revenues from newly marketed products

¹ Earnings before investment income, finance gains, tax, depreciation, amortisation, share-based compensation and adjusted for non-recurring expenditure

² Adjusted basic EPS is calculated using EBITDA and the weighted average number of shares in the period

VR475 EU (FAVOLIR®)



Update on current clinical trial

- ✔ Target broader patient population to increase market opportunity
 - Shift from GINA Step 5 OCS-dependent patients to GINA Step 4 and 5 patients
- ✔ Offers potential for an effective, inhaled treatment option
 - Reduce exacerbations in patients
 - Despite being on high doses of ICS plus a second controller (i.e. LABA), an unmet need exists
- ✔ Phase III clinical trial has been initiated
- ✔ Filing anticipated in mid-2018



VR647 (SCIPE)



Update on current development strategy

- ✔ Budesonide is the only nebulised ICS approved in the US
 - Paediatric label only; age range 12 months to 8 years
 - Indicated as a maintenance treatment of asthma

- ✔ Objective is to retain current label/indication for budesonide
 - Potential for reduced dosing time claim
 - FDA agreed 505(b)(2) pathway for development programme

- ✔ Anticipate IND filing mid 2016

- ✔ Phase III study to start mid 2017 with filing anticipated in H2 2019

Financial outlook

FY 2015/16



Revenue

- Continued growth in royalty revenues
- Significant development and regulatory milestones expected in H2 15/16

R&D expenditure

- Increase in clinical trial activities led by VR475 EU
- Full year guidance at higher end of £40m-£52m range

G&A expenses

- G&A expenses expected to remain in line with FY 14/15

UK tax benefits

- Patent box: 10%

Upcoming events



Progress of Seebri[®] Breezhaler[®] – reported quarterly by Novartis

- Novartis expects US FDA action on NVA237 by Q4 2015

Progress of Ultibro[®] Breezhaler[®] – reported quarterly by Novartis

- Novartis expects US FDA action on QVA149 by Q4 2015

AirFluSal[®] Forspiro[®]

- Launched in 12 European countries (also S. Korea and Mexico); approved in approximately 30 countries
- Global roll-out continues

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