BoAML Global Healthcare Conference

London, September 2013

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Early history of Vectura

Validating the technology platform via partnerships

- 1999 - Core business founded at the University of Bath, UK
- 2002 - UK headquarters moved to Chippenham, Wiltshire, UK
  - Acquisition of Aspirair® technology and device development group
- 2004 - Listed on London Stock Exchange (LSE:VEC) – AIM
- 2005 - Out-licensing of NVA237 to Novartis
- 2006 - Institutional placing raising £45m
  - Inhaler technology licensing deal with Boehringer Ingelheim
  - VR315 combination asthma drug deals for EU and US with Sandoz

Second phase of Vectura's history

From drug delivery to inhaled product development

- 2007 - Acquisition of Innovata
  - Delivering critical mass in inhalation product, technologies and capabilities
  - Listed on official main LSE market in July 07
  - Second combination asthma drug deal for EU (VR632) with Sandoz
- 2010 - Sandoz returns VR315 in US
  - GSK formulation agreement signed
- 2011 - New partner signed for VR315 in US

Recent history of Vectura

Product focus taps into growing revenue streams

- 2012 – Seebri® Breezhaler® approved in EU and Japan
- 2013 – New JV established in China (Kinnovata)
  - Leverages technology platform in cash efficient manner
  - Ultibro® Breezhaler® recommended for approval in EU & Japan
  - GSK deal delivers new royalty stream upon commercialisation
    - Breo® Ellipta® & Anoro® Ellipta®

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 (EU/Japan/RoW/US)
- Comprehensive development programmes for both drugs fully funded by Novartis

Late-stage pipeline encompasses both branded & generic respiratory drugs

- QVA149 recommended for approval in Europe and Japan
- Approval expected before year-end
- Three generic programmes underway; FDA guidelines 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

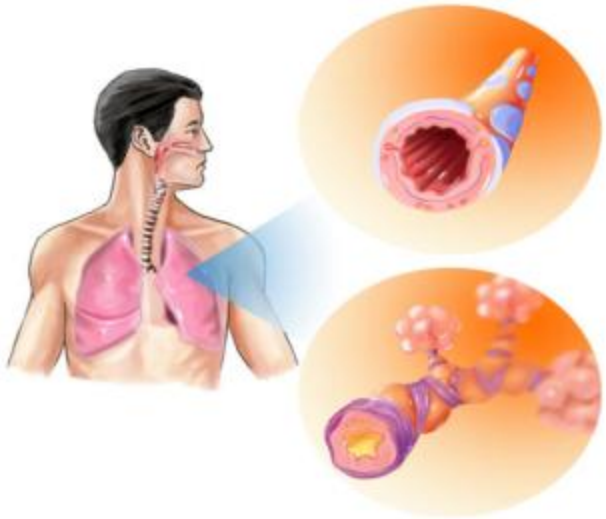
Strong balance sheet with £70.1m in cash

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

Branded Respiratory Products

Bronchodilators in COPD

- Make breathing easier by relaxing the muscles in the lungs and widening the airways
- Two types of bronchodilators:
  - Short-acting bronchodilators – which provide short-term relief from breathlessness
  - Long-acting bronchodilators – which have longer-lasting effects



- Novartis' Seebri® Breezhaler® is a long acting bronchodilator (LAMA)
  - Glycopyrronium bromide is the active agent
  - "Counteracts bronchoconstriction"
  - Second OD drug on EU & Japan markets
- Ultibro® Breezhaler® (QVA149) contains glycopyrronium bromide and another long acting bronchodilator (LABA)
  - LABA drug acts via different mechanism
  - LABA drugs promote bronchodilation directly
- The LABA/LAMA combination is synergistic
  - Analysts expect Novartis' QVA149 to be first to market in EU & Japan

Seebri® Breezhaler®

- Once-daily maintenance bronchodilator treatment for COPD licensed to Novartis
  - Market suggests that LAMAs as monotherapy are here to stay
    - Analysts expect class to be worth c. $6bn by 2021
- Approved in EU, Japan, Australia, Canada and seven other countries
  - Market roll out is underway by Novartis
  - Launched in several countries including Germany, UK, Ireland & Japan*
- NVA237 comprehensive Phase III clinical trial programme for US
  - Being undertaken by Novartis
  - US filing expected Q1 2014

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

QVA149 (Ultibro® Breezhaler®)

Once-daily, fixed-dose LAMA/LABA combination

- Component drugs and device already approved for COPD*
  - Indacaterol maleate - Onbrez® Breezhaler®
  - Glycopyrronium bromide - Seebri® Breezhaler®
- CHMP positive opinion for Europe received in July 2013
  - Marketing authorisation possible within 3 months
- Japanese regulator endorses QVA149 for approval in August 2013
  - Marketing authorisation possible within 4-6 weeks
- Novartis expected to file in US by end 2014
- Comprehensive COPD registration trial programme undertaken by Novartis (IGNITE)
- Factors expected to drive use of LAMA/LABA combinations:
  - Significantly improved bronchodilation
  - Combining bronchodilators already adopted by GOLD guidelines as an alternative treatment option
  - Increasing concern over the appropriate use of ICS in COPD

* *In EU & Japan*

Onbrez® Breezhaler® and Seebri® Breezhaler® are registered trademarks of Novartis AG

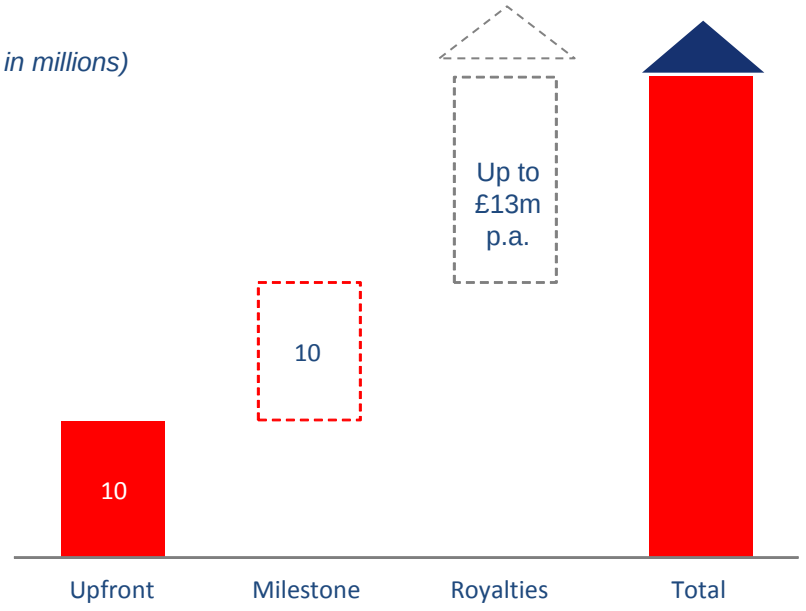
Vectura's licence agreement with GSK

Monetising Vectura's IP

GSK (August 2010)

- Licensing of Vectura's drug formulation patents in relation to two late stage development compounds

(£ in millions)



No additional investment required to generate these returns

Vectura invests approx. £2m per annum on its patent portfolio

Various patents covered by the license and option to license agreement have expiry dates extending from 2016 - 2025

Attractive returns from IP portfolio and know-how

Generic Respiratory Products

Respiratory generics

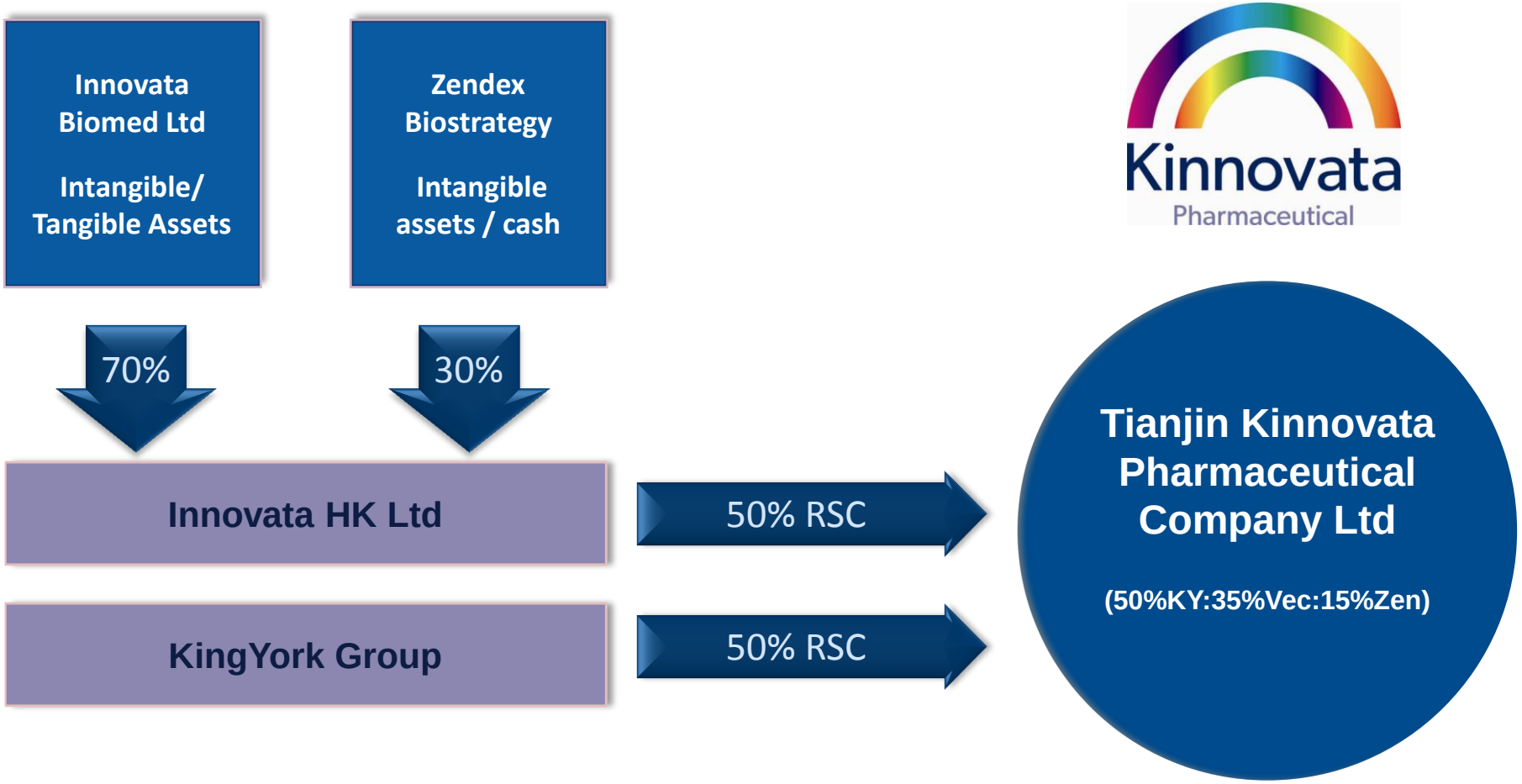
Vectura's franchise

- Understanding of complex regulatory requirements
  - Significant interaction with regulators, particularly the EMA and FDA
- 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; expected read-out during Q4,13
    - Trial 004: 174 patients; recruitment complete; expected read-out during H1,14
- 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

Emerging Markets

Kinnovata

A Joint Venture in China



Kinnovata – Vectura's contribution

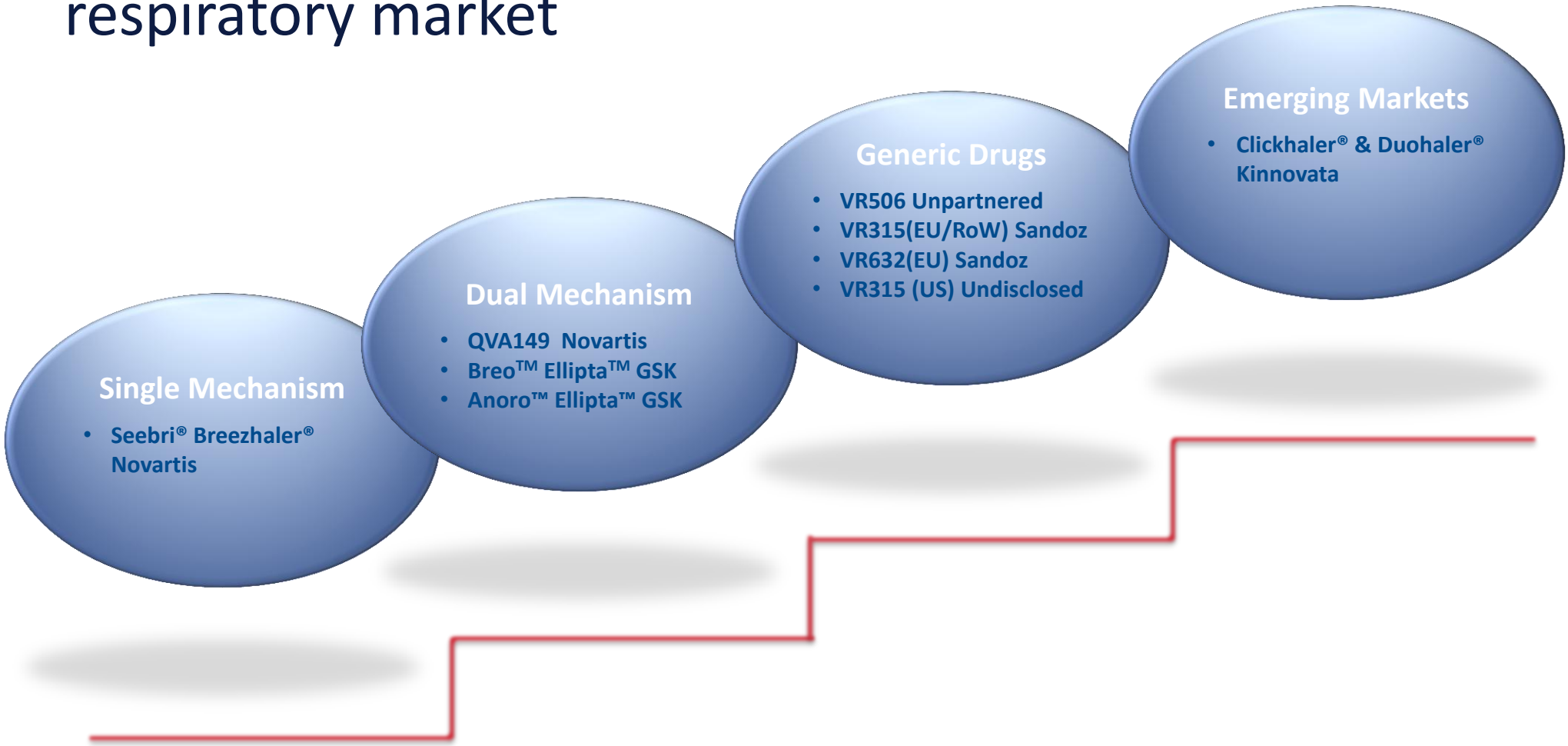
- Intangible assets (to the value of RMB 95m)
  - Worldwide rights to Clickhaler® technology and Asian rights to Duohaler® technology
  - Access to Vectura's approved European Clickhaler® regulatory dossiers
    - Inhaled corticosteroids ("ICS")
      - *Budesonide & beclomethasone*
    - Long- and short-acting beta-2 agonists
      - *formoterol & salbutamol*
- Fixed assets (to the value of RMB 45m)
  - Clickhaler® manufacturing facility including automated assembly line
  - Duohaler® pilot scale manufacturing facility
  - Filling equipment
- Final local government approval expected in late 2013/early 14

Opportunity in asthma and COPD

- Chinese asthma market alone grew >20% 2006-2011 and valued at >$1.7bn
- Initial pipeline will target active drugs that currently account for over 50% of this market
- Expectations of up to five drugs on the market in medium term
  - Sales potential estimates vary for individual products
- Status and next steps
  - Asmasal® file submitted to SFDA earlier this year
  - Enable Kinnovata to gain an import license for salbutamol in Clickhaler®
  - Clinical trial go-ahead expected by end 2013
  - Establish local development and manufacturing
- Value to Vectura is realised both short-term and long-term
  - Share in associate
  - Mid-single digit royalty on sales

Summary and Outlook

Vectura's current position in the respiratory market



Technology Platform Underpins Product Focus

Summary

Business Model	• Business model has been successfully validated • License agreements include Novartis, Sandoz, BI, GSK & KingYork
Branded Drugs	• Significant clinical and regulatory success • First launches of Seebri® Breezhaler® are underway by Novartis • QVA149 filed for approval in Europe and Japan by Novartis
Generic Drugs	• Programmes continue to make progress • VR506 has two international multi centre studies on-going
Emerging Markets	• Leverage all of our assets in a prudent manner
Next Steps	• Willing to take on increased risk for greater share of economics • Potential value-enhancing deal structures; from co-development to self-commercialisation • Prudent, strategic and cost-effective

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

Outlook

Anticipated news flow

- QVA149 anticipated approvals in Japan & Europe
  - First in class of major new drug class
  - Significant milestones to Vectura and additional new growing royalty stream
- Progress of Seebri® Breezhaler® reported quarterly
  - $18m in sales in H1, 13
- VR506 clinical trial top line readout (002) expected in Q4, 13
  - Important trigger for partnering discussions
- Business update planned for Q4, 13