



# Executing on our inhaled specialist CDMO strategy

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**Jefferies Healthcare Conference**

17<sup>th</sup> November 2020

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## WHO WE ARE

# Cash generative business with over 20 years' experience in inhaled product development

### Established

**1997**

Spin-out from Bath University

### UK listed

**FTSE250**

constituent company

### Employees

**~450**

working internationally across five sites

### Widely used technology

**11**

Inhaled products on the market utilising Vectura's IP

### 2019 Revenue

**£178.3m**

+11% versus 2018

### 2019 Adj. EBITDA<sup>1</sup>

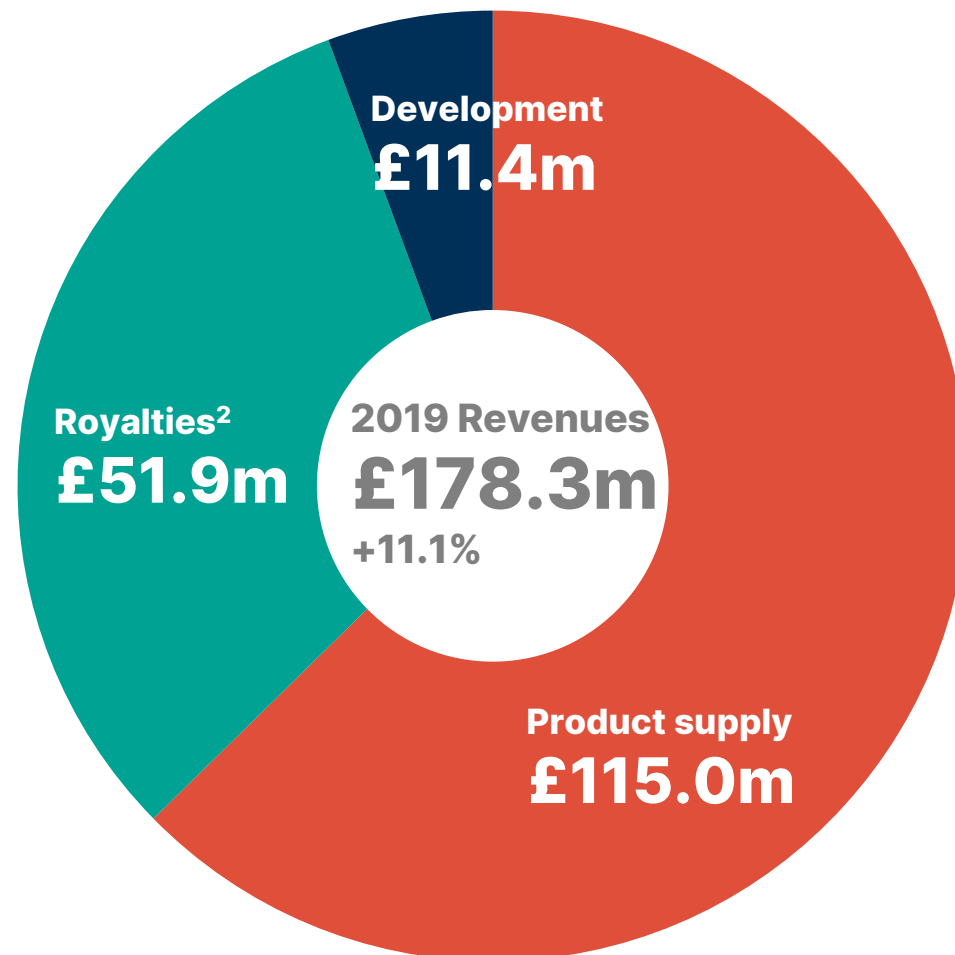
**£43.4m**

+11% versus 2018

### Cash balance H1 2020

**£81.9m**

31 Dec 2019: £74.1m



<sup>1</sup> Adjusted EBITDA is calculated as reported operating profit/(loss), adjusted by adding back depreciation, amortisation, impairment, share based compensation, and exceptional items

<sup>2</sup> Royalties comprise royalties, sales-based milestones, and product approval and launch milestones

# Providing inhaled drug delivery solutions that help our customers bring their medicines to patients



Complex drug device selection → Device design & development → Full pharmaceutical development → Device scale-up & industrialisation → Technology transfer & manufacture

# Rich heritage and strong track record of delivering inhaled solutions

## Our partners and licensees



**hikma.**



*Kyorin*



**NOVARTIS**

**SANDOZ** A Novartis Division

## Inhaled products using our technologies



20 years

of experience

11

inhaled products  
currently on  
the market

£142m

2019 revenues from  
inhaled products  
using our  
technology

c. \$11bn\*

cum. sales of inhaled  
products using our  
technology since  
initial launch in 2012

\*Evaluate Pharma and partner quarterly reports

## Ambition for Vectura

1

Create the market leading company in the inhalation CDMO space

2

Further enhance Vectura's capabilities and performance culture

3

Deliver long-term growth and sustained returns



**VECTURA**

# Targeting an attractive inhalation segment in a growing CDMO market

**c.7%**<sup>1</sup>

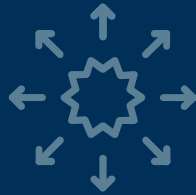
**strong underlying CDMO market growth**



**Increasing trend towards outsourcing**

**~40-45%**<sup>3</sup>

of projects outsourced over the next 5 years in large and small pharma



**Market need for innovation**

**87%**<sup>2</sup>

small and medium companies



**Growth of inhalation as a medicine delivery route**

**~300**<sup>2</sup>

new molecules where inhalation is the primary route of administration



**Inhaled product development is complex**

**70%**<sup>2</sup>

in development are Pre-Phase II across multiple disease areas

<sup>1</sup> Results Healthcare – November 2020 Whitepaper

<sup>2</sup> Global Data pipeline analysis (July 2019) – “Respiratory” includes infectious disease assets Small & medium-sized respiratory companies excludes companies with significant in-house inhalation capabilities: Astra Zeneca, GSK, Bayer, Novartis, BI, Pfizer, Chiesi, Orion

<sup>3</sup> Expert interviews (n=20) and expert survey (n=35) based on a sample of executives from CDMOs, pharmaceutical and medtech companies.

# Focused on building an industry leading specialist inhaled CDMO



## Sales & Marketing

- First-class commercial team now established
- Distinctive new company brand
- Driving funnel growth and customer diversification



## Product Development

- Executing technology roadmap
- Investing in innovation
- Managing diverse range of projects



## Operations

- Simplifying group processes
- Operational & quality excellence
- Efficient lean supply chain management



# Establishing a first-class sales and marketing function to drive business growth



## New business development team established

- Led by Mark Bridgewater, Chief Commercial Officer
- Presence in Europe & East and West Coast US
- Continued momentum in deal funnel



## Supported by strategic marketing effort

- New distinctive brand identity launched
- Multi-channel campaigns
- Lead generation, conversion and business growth



## Driving scientific thought-leadership in inhalation space

- Focused webinars on key inhalation trends
- Presence at a broad range of industry conferences
- Journal publications

# Building momentum within the funnel to drive business growth



## Types of deal



Feasibility studies



Phase I

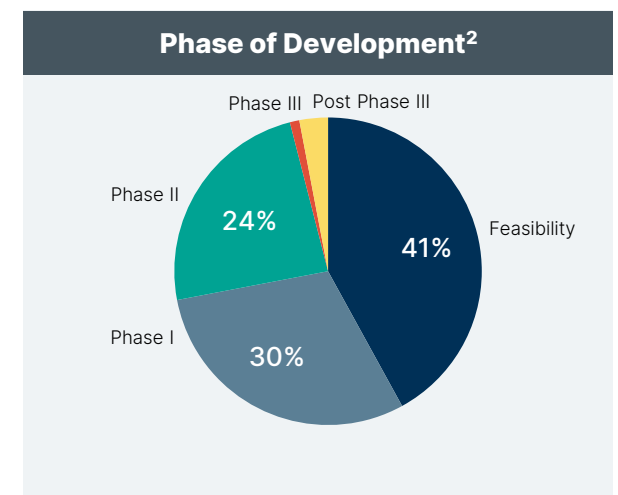
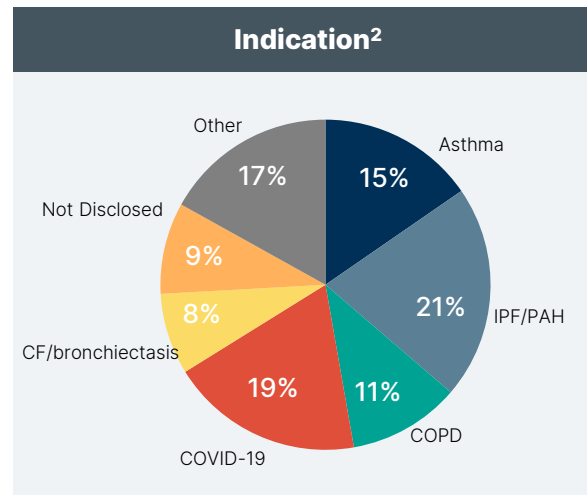
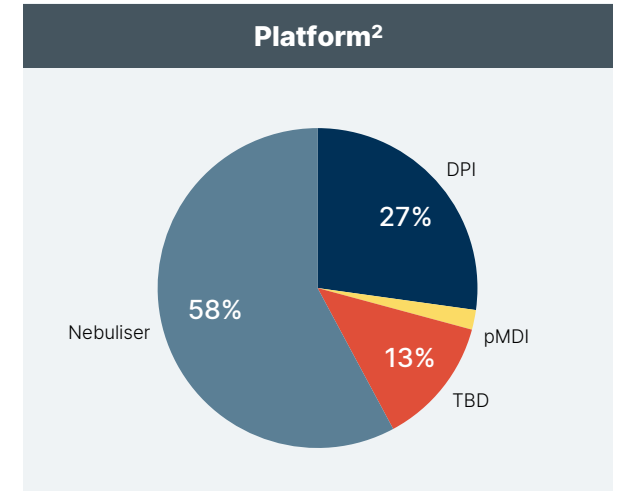
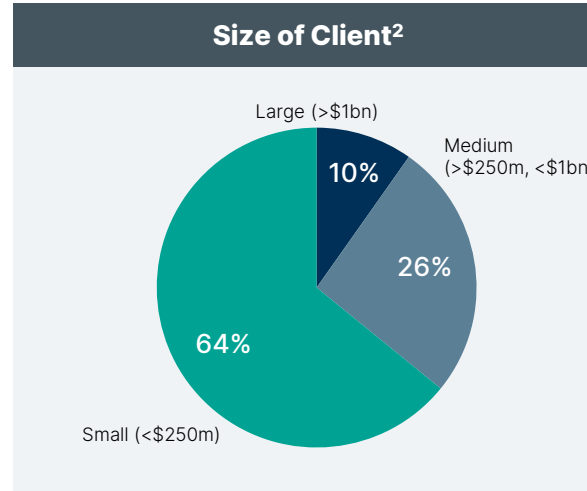
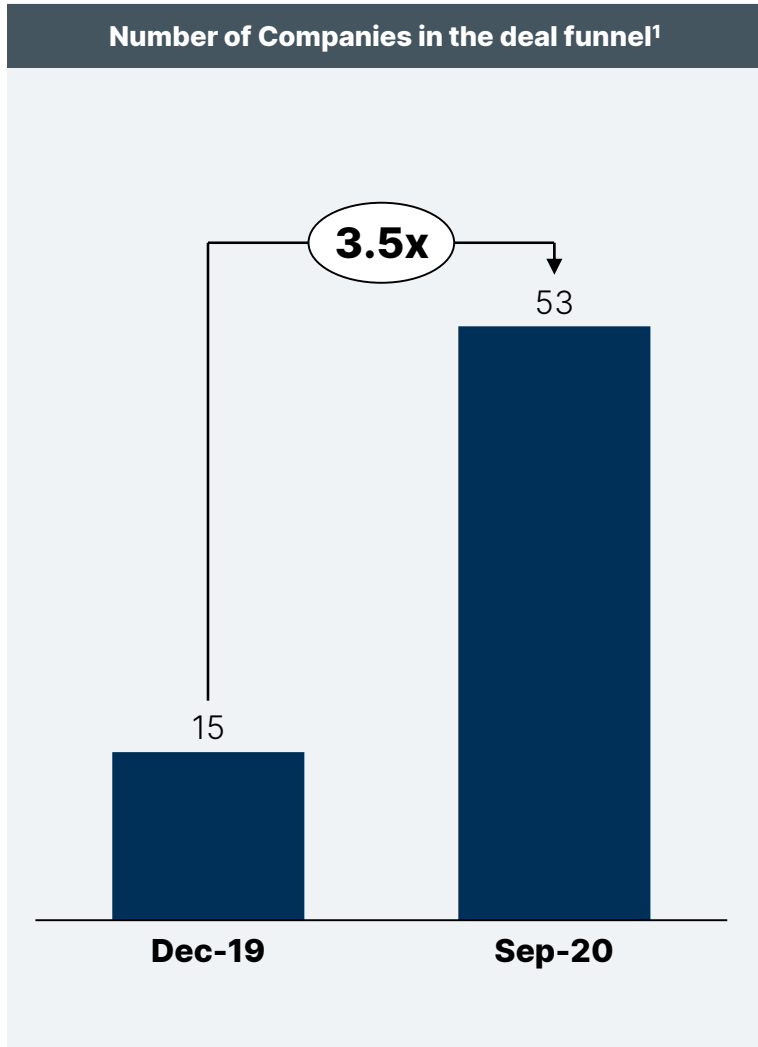


Full development



Commercial scale-up

# Diversifying our customer base and increasing the funnel



<sup>1</sup> Defined as individual customers with active opportunities in the deal funnel. VEC may have more than one identified opportunity per customer.

<sup>2</sup> Criteria as a percentage of opportunities in the funnel.

## Execution on early deals across a range of indications to drive early-stage CDMO revenue in H2 2020

**12**  
deals<sup>1</sup>

- 9 Feasibilities
- 2 Phase I/II
- 1 Full-development deals, including potential licensing milestones & royalties

**22**  
molecules

- 6 small molecules
- 16 biologics
- Range of delivery platforms; 2 DPI, 10 nebuliser

**7**  
indications

- 2 Asthma/COPD
- 3 Specialist respiratory; Cystic Fibrosis, IPF and PAH
- 1 Postpartum haemorrhage
- 1 COVID-19

## Diversity of deals demonstrate the breadth of our capabilities



### Inhaled oxytocin for prevention of postpartum haemorrhage

- Monash working with a number of industry partners, including Janssen and GSK
- Novel repurposed drug
- Dry-powder delivery seeks to overcome limitations of injectable delivery, particularly in low and middle income countries
- Phase I formulation



### Inhaled imatinib for pulmonary arterial hypertension

- Novel repurposed drug with Orphan Drug Designation
- Delivery via FOX® nebuliser seeks to overcome limitations of injectable and oral delivery
- Global licensing and development deal, including commercial device supply

## Select non-public deals

### Dry-powder programme with US Start-up

- Preparing for first-in-human studies

### FOX® feasibility study with German Pharma

- One device platform to deliver multiple early-stage respiratory biological compounds
- Opportunity for full-development and commercial device supply

### Dry-powder Phase I programme with US Biotech

- Aiming to improve tolerability of medication through inhaled delivery
- Opportunity for full-development

## Creating the market leading company in the inhalation CDMO space

- **Performance on-track for a positive 2020**
  - Balance sheet strength maintained
  - Approval of VR315 (generic Advair<sup>®1</sup>), partnered with Hikma, now expected in H1 2020
- **Continued momentum against inhalation CDMO strategy**
  - Investment in Business Development and Marketing reflected in deal funnel growth
  - 12 new deals signed to date
  - Operational transformation continues





# Q&A