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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

26 May 2021

RECOMMENDED CASH ACQUISITION

of

Vectura Group plc ("Vectura")

by

Murano Bidco Limited ("Bidco")

a newly formed company indirectly controlled by funds managed by Carlyle Europe Partners V

to be implemented by a Scheme of Arrangement under Part 26 of the Companies Act 2006

Summary

- The boards of Vectura and Bidco are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco shall acquire all of the issued and to be issued ordinary shares of Vectura ("**Vectura Shares**"). The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Pursuant to the Acquisition, holders of Vectura Shares ("**Vectura Shareholders**") shall be entitled to receive **155 pence for each Vectura Share (the "Acquisition Value") comprising:**

for each Vectura Share held

136 pence in cash from Bidco (the "Cash Consideration")

and

a 19 pence cash dividend for each Vectura Share held on the Interim Dividend Record Date (the "Interim Dividend")

- The Cash Consideration represents a premium of approximately:
 - 41 per cent. to the volume weighted average Ex-Dividend Closing Price of 97 pence per Vectura Share for the 3 months ended 25 May 2021 (being the last Business Day prior to the publication of this announcement);
 - 39 per cent. to the volume weighted average Ex-Dividend Closing Price of 98 pence per Vectura Share for the 1 month ended 25 May 2021 (being the last Business Day prior to the publication of this announcement); and
 - 32 per cent. to the Ex-Dividend Closing Price per Vectura Share of 103 pence on 25 May 2021 (being the last Business Day prior to the publication of this announcement).

- The Acquisition Value values the entire issued and to be issued ordinary share capital of Vectura at approximately £958 million, representing a premium of approximately 27 per cent. to the Closing Price of 122 pence per Vectura Share on 25 May 2021 (being the last Business Day prior to publication of this announcement).
- On 21 April 2021, the Vectura Directors proposed a special dividend of 19 pence per Vectura Share (the "**Special Dividend**"), to be accompanied by a five-for-six share consolidation (the "**Share Consolidation**"). The Special Dividend and Share Consolidation are subject to inter-conditional shareholder approvals at the Vectura general meeting convened for 11.00 a.m. on 27 May 2021 (the "**Dividend General Meeting**"). The amount of the Cash Consideration was determined based on the existing number of issued and to be issued Vectura Shares prior to the Share Consolidation but after payment of the amount of the Special Dividend. However, given the inter-conditional nature of the shareholder approvals, it is not possible to proceed with the Special Dividend without also proceeding with the Share Consolidation. Therefore, the Vectura Directors have withdrawn their recommendation of the Special Dividend, and accordingly intend to withdraw the resolutions to be proposed at the Dividend General Meeting, including in relation to the Special Dividend and the Share Consolidation.
- In replacement of the Special Dividend, the Vectura Directors have declared an interim dividend of 19 pence per Vectura Share (the "**Interim Dividend**"). The Interim Dividend does not require shareholder approval and, consistent with the terms on which the Special Dividend was proposed, will become payable on 11 June 2021 to Vectura Shareholders on the Register as at 6.00 p.m. on 28 May 2021 (the "**Interim Dividend Record Date**"). Further details are set out in paragraph 15 of this announcement.
- If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Vectura (other than, or in excess of, the Interim Dividend), Bidco reserves the right to reduce the Cash Consideration by an amount up to the amount of such dividend, distribution or other return of value or excess. In such circumstances, Vectura Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

Vectura Recommendation

- The Vectura Directors, who have been so advised by J.P. Morgan Cazenove and Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Vectura Directors, J.P. Morgan Cazenove and Rothschild & Co have taken into account the commercial assessments of the Vectura Directors. Rothschild & Co is providing independent financial advice to the Vectura Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Vectura Directors intend to recommend unanimously that Vectura Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting as the Vectura Directors have irrevocably undertaken to do in respect of the 582,592 Vectura Shares that they beneficially hold (representing, in aggregate, approximately 0.1 per cent. of the issued ordinary share capital of Vectura as at 25 May 2021, being the last Business Day prior to the date of this announcement). Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

Information on Carlyle, Bidco and Vectura

- The Carlyle Group is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Investment

Solutions. With \$260 billion of assets under management as of 31 March 2021, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,800 people in 29 offices across five continents.

- Bidco is a newly incorporated company registered in England and Wales which was formed for the purposes of the Acquisition. Bidco is indirectly controlled by Carlyle Europe Partners V Fund, a €6.4bn fund raised in 2018 to invest in European opportunities across a range of sectors and industries, which, together with their affiliates, conduct business as "The Carlyle Group" ("**Carlyle**").
- Vectura is a provider of innovative inhaled drug delivery solutions that enable partners to bring their medicines to patients. With differentiated proprietary technology and pharmaceutical development expertise, Vectura is one of the few companies globally with the device, formulation and development capabilities to deliver a broad range of complex inhaled therapies. Vectura has thirteen key inhaled and eleven non-inhaled products marketed by partners with global royalty streams, and a diverse partnered portfolio of drugs in clinical development.

Timetable and Conditions

- It is intended that the Acquisition will be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, further details of which are contained in the full text of this announcement and will be set out in the Scheme Document. Bidco reserves the right to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent.
- Completion of the Acquisition will be conditional, inter alia, on the following matters:
 - the approval of the Scheme by a majority in number of the Vectura Shareholders who are present and vote at the Court Meeting, either in person or by proxy, and who represent 75 per cent. or more in value of the Vectura Shares voted by those Vectura Shareholders;
 - the approval by Vectura Shareholders of the resolutions relating to the Acquisition representing at least 75 per cent. of votes cast at the General Meeting;
 - the sanction of the Scheme by the Court;
 - the delivery of a copy of the Court Order to the Registrar of Companies;
 - none of the Dividend Related Resolutions being approved by Vectura Shareholders;
 - the satisfaction or waiver of the UK National Security and Investment Condition, the French Foreign Investment Condition and the German Foreign Investment Condition; and
 - approval under the respective merger control rules by the Competition and Consumer Protection Commission of the Republic of Ireland and the Japanese Fair Trade Commission being obtained.
- The Acquisition is subject to the full terms and Conditions which will be set out in the Scheme Document. Subject to the satisfaction or (where applicable) waiver of the Conditions, the Acquisition is expected to become Effective during Q3 2021.
- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with an indicative timetable for

implementation of the Scheme, will be dispatched to Vectura Shareholders (together with the Forms of Proxy) as soon as is reasonably practicable and, in any event, within 28 days of the date of this announcement (unless the Panel consents to a later date). The Court Meeting and the General Meeting are expected to be held in July 2021. Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, the Scheme Document will also be made available on Vectura's website at www.vectura.com.

Commenting on the Acquisition, Bruno Angelici, Vectura's chairman said:

“Vectura has made strong progress since embarking on its new strategy in 2019 to become a leading inhalation focused CDMO, whilst continuing to deliver strong financial and operational results in its royalties and product supply businesses.

While the Vectura Directors remain confident in the long term fundamentals of the Vectura Group, we believe that this is an attractive offer for Vectura Shareholders, which secures the delivery of future value for Vectura Shareholders in cash today. The offer reflects the quality, strength and long term performance of Vectura’s businesses and its future growth potential. We believe that our people, our clients and our businesses will continue to prosper under the stewardship of Carlyle.”

Commenting on the Acquisition, Simon Dingemans, a Managing Director in Carlyle’s European buyout advisory group said:

“We have followed the strategic changes underway at Vectura closely and fully support the focus on building a market leading inhalation specialist CDMO. We believe that under Carlyle’s ownership Vectura will be able to accelerate its transformation significantly with greater access to capital and the support of our long experience in the sector. We look forward to working with Will Downie and his team.”

This summary should be read in conjunction with the full text of this announcement. The Acquisition shall be subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which shall be set out in the Scheme Document. Appendix II to this announcement contains the sources of information and bases of calculations of certain information contained in this announcement. Appendix III contains a summary of the irrevocable undertakings received in relation to this Acquisition. Appendix IV contains details of the Vectura 2021 flutiform® Gross Profit Forecast. Appendix V contains definitions of certain expressions used in this summary and in this announcement.

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Linklaters LLP is retained as legal adviser to Carlyle and Bidco. Latham & Watkins LLP and Ropes & Gray LLP are retained as antitrust and regulatory legal advisers respectively to Carlyle and Bidco.

Clifford Chance LLP is retained as legal adviser to Vectura.

Important Notices

*Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA in the UK is acting exclusively as financial adviser to Bidco and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.*

RBC Capital Markets is the trading name for RBC Europe Limited, which is authorised by the PRA and regulated in the UK by the FCA and the PRA and is a subsidiary of Royal Bank of Canada. RBC Capital Markets is acting exclusively for Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as financial adviser and corporate broker exclusively for Vectura and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.*

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Vectura and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.*

*Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Vectura and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.*

Further Information

This announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.

The Acquisition shall be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) which, together with the Forms of Proxy (or form of acceptance), shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Vectura and Bidco shall prepare the Scheme Document to be distributed to Vectura Shareholders. Vectura and Bidco urge Vectura Shareholders to read the Scheme Document when it becomes available because it shall contain important information relating to the Acquisition.

This announcement does not constitute a prospectus or prospectus exempted document.

Overseas Shareholders

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition to Vectura Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

Additional information for US investors

The Acquisition relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.

Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

However, if Bidco were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.

In accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Vectura outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its Vectura Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Vectura Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Financial information relating to Vectura included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Bidco and Vectura are both organised under the laws of England and Wales. Some or all of the officers and directors of Bidco and Vectura, respectively, are residents of countries other than the United States. In addition, most of the assets of Bidco and Vectura are located outside the United States. As a result, it may be difficult for US shareholders of Vectura to effect service of process within the United States upon Bidco or Vectura or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United Kingdom.

Forward Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Vectura, Bidco or any member of the Bidco Group contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Bidco or any member of the Bidco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Bidco or any member of the Bidco Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, any member of the Bidco Group or Vectura's operations and potential synergies resulting from the

Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, any member of the Bidco Group or Vectura's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances includes changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Vectura or any of Bidco or any member of the Bidco Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Vectura Group, there may be additional changes to the Vectura Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Bidco Group or Vectura Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Vectura, the Bidco Group and Bidco expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

Other than the Vectura 2021 flutiform[®] Gross Profit Forecast, no statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Bidco or Vectura, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Bidco or Vectura, as appropriate.

The Vectura 2021 flutiform[®] Gross Profit Forecast is a profit forecast for the purposes of Rule 28 of the Code. As required by Rule 28.1 of the Code, the assumptions on which the Vectura 2021 flutiform[®] Gross Profit Forecast is stated are set out in Appendix IV to this announcement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first

identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by Vectura Shareholders, persons with information rights and other relevant persons for the receipt of communications from Vectura may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on website and availability of hard copies

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Vectura's website at www.vectura.com by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Vectura's registrar, Computershare Investor Services Plc, on 0370 707 1387 (or from outside of the UK, on +44 (0)370 707 1387) between 8:30 a.m. to 5:30 p.m. Monday to Friday (London time) or by submitting a request in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99

6ZZ. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 Disclosure

In accordance with Rule 2.9 of the Takeover Code, as at the close of business on 25 May 2021 (being the business day prior to the date of this announcement), Vectura confirms that it had in issue 598,070,219 ordinary shares of 0.0271 pence (excluding shares held in treasury) each with voting rights and admitted to trading on the main market of the London Stock Exchange under the ISIN code GB00BKM2MW97.

General

If the Acquisition is effected by way of a Takeover Offer, such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Vectura Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Vectura Shares otherwise than under any Takeover Offer or the Scheme such as pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

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1 Introduction

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2 The Acquisition

Pursuant to the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, holders of Vectura Shares (“**Vectura Shareholders**”) shall be entitled to receive **155 pence for each Vectura Share (the "Acquisition Value") comprising:**

for each Vectura Share held	136 pence in cash from Bidco (the “Cash Consideration”)
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- 32 per cent. to the Ex-Dividend Closing Price per Vectura Share of 103 pence on 25 May 2021 (being the last Business Day prior to the publication of this announcement).

The Acquisition Value values the entire issued and to be issued ordinary share capital of Vectura at approximately £958 million, representing a premium of approximately 27 per cent. to the Closing Price of 122 pence per Vectura Share on 25 May 2021 (being the last Business Day prior to publication of this announcement).

On 21 April 2021, the Vectura Directors proposed a special dividend of 19 pence per Vectura Share (the "**Special Dividend**"), to be accompanied by a five-for-six share consolidation (the "**Share Consolidation**"). The Special Dividend and Share Consolidation are subject to inter-conditional shareholder approvals at the Vectura general meeting convened for 11.00 a.m. on 27 May 2021 (the "**Dividend General Meeting**"). The amount of the Cash Consideration was determined based on the existing number of issued and to be issued Vectura Shares prior to the Share Consolidation but after payment of the amount of the Special Dividend. However, given the inter-conditional nature of the shareholder approvals, it is not possible to proceed with the Special Dividend without also proceeding with the Share Consolidation. Therefore, the Vectura Directors have withdrawn their recommendation of the Special Dividend, and accordingly intend to withdraw the resolutions to be proposed at the Dividend General Meeting, including in relation to the Special Dividend and the Share Consolidation.

In replacement of the Special Dividend, the Vectura Directors have declared an interim dividend of 19 pence per Vectura Share (the "**Interim Dividend**"). The Interim Dividend does not require shareholder approval and, consistent with the terms of which the Special Dividend was proposed will become payable on 11 June 2021 to Vectura Shareholders on the Register as at 6.00 p.m. on 28 May 2021 (the "**Interim Dividend Record Date**"). Further details are set out in paragraph 15 of this announcement.

If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Vectura (other than, or in excess of, the Special Dividend), Bidco reserves the right to reduce the Cash Consideration by an amount up to the amount of such dividend, distribution or other return of value or excess. In such circumstances, Vectura Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

It is expected that the Scheme Document shall be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this announcement. It is expected that the Scheme shall become effective during Q3 2021.

3 Background to and reasons for the Acquisition

Carlyle is a global investment firm with over 30 years' experience as an investor in healthcare, including in the pharmaceutical and pharmaceutical services sectors. Over that time Carlyle has developed a track record of successful partnerships with many businesses, including a number of CROs and CDMOs. Carlyle has followed Vectura closely in recent years and considers Vectura to fit well with its investment focus. Vectura has a strong technology heritage and comprehensive research and development capabilities in the inhalation segment, delivering highly specialist products and services to attractive end-markets.

Bidco believes that the Vectura Directors and new management team have made strong progress in recent years, in particular since embarking on the new strategy in 2019 to become a leading inhalation focused CDMO. Notwithstanding this progress, Bidco believes that Vectura can better reach its full potential in a private setting, enabled by the acceleration of investment in growth, as Vectura continues to reshape its business. Carlyle, as a partner to Vectura, can leverage its extensive global network, resources and experience to help achieve this potential.

4 Vectura Recommendation

The Vectura Directors, who have been so advised by J.P. Morgan Cazenove and Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to Vectura Directors, J.P. Morgan Cazenove and Rothschild & Co have taken into account the commercial assessments of the Vectura Directors. Rothschild & Co is providing independent financial advice to the Vectura Directors for the purposes of Rule 3 of the Code.

Accordingly, the Vectura Directors intend to recommend unanimously that Vectura Shareholders vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting, as the Vectura Directors have irrevocably undertaken to do in respect of the 582,592 Vectura Shares that they beneficially hold representing, in aggregate, approximately 0.1 per cent. of the ordinary share capital of Vectura in issue on 25 May 2021 (being the last Business Day date prior to this announcement).

Further details of these irrevocable undertakings (including the circumstances in which they shall fall away) are set out in Appendix III to this announcement.

5 Background to and reasons for the recommendation

In 2019, the Vectura Board made the strategic decision of transitioning away from developing its own assets to operating under a new CDMO business model with a reduced level of risk and a smoother, diversified earnings profile.

During 2020, under new leadership, including CEO Will Downie, Vectura demonstrated strong progress towards its strategic goals, hiring experienced leaders with a deep understanding of the CDMO market, signed 18 new CDMO contracts and continued the business transformation and investment required to succeed as a CDMO. In addition, the Group announced financial results that exceeded Board expectations, the approval of Enerzair® Breezhaler (QVM149) and generic Advair® (VR315 (US)), and a positive outcome to the US GSK litigation, all achieved despite navigating the unprecedented challenges of a global pandemic.

While the Vectura Directors believe the Vectura Group is well positioned for future continued success and that the long-term prospects of the Group are strong as an independent listed entity, it also recognises that uncertainties exist, many of which are beyond Vectura's control. As well as economic, regulatory and competitive risks, these uncertainties include the continued execution of its transformation strategy into a major CDMO, reliance on partners for the performance of its royalty and product supply revenues and risk around its future co-development revenues.

The Vectura Directors believe that the Acquisition reflects the strength of the Vectura business today and its future prospects, and provides an opportunity for Vectura Shareholders to realise their investment in Vectura in cash in the near term.

Against this backdrop, the Vectura Directors have carefully considered the terms of the Acquisition and noted that:

- the Cash Consideration represents a premium of approximately 32 per cent. to the Ex-Dividend Closing Price of 103 pence per Vectura Share on 25 May 2021 (being the last Business Day prior to the date of this announcement);
- the Acquisition Value of 155 pence per Vectura Share represents:
 - a premium of approximately 27 per cent. to the Closing Price of 122 pence per Vectura Share on 25 May 2021, being the last Business Day prior to the date of this announcement;
 - a premium of approximately 34 per cent. to the volume weighted average Closing Price of 116 pence per Vectura Share over the 90-day period ending 25 May 2021, (being the last Business Day prior to the date of this announcement); and
 - an implied adjusted enterprise value multiple of approximately 12.4x Vectura's adjusted EBITDA of £61 million for the 12 month period ended 31 December 2020.
- the adjusted enterprise value implied by the Acquisition Value represents a premium of approximately 36 per cent. to the adjusted enterprise value of £561 million as of 25 May 2021, being the last Business Day prior to the date of this announcement.

The Vectura Directors are pleased that the terms of the Offer recognise the value of the CDMO strategy announced on 17 July 2019 and is at a 75 per cent. premium to the Vectura Closing Price of 89 pence on the date of that announcement.

Furthermore, the Vectura Directors have also taken account of Bidco's intentions for the business, management and employees of Vectura. The Vectura Directors note the great importance attached by Bidco to the skills, knowledge and expertise of Vectura's management and employees. The Vectura Directors believe the Acquisition brings a number of strategic benefits to Vectura's business through private ownership under Carlyle.

Accordingly, following careful consideration of the above factors, the Vectura Board of Directors intends unanimously to recommend the offer to Vectura Shareholders.

6 Information on Bidco and Carlyle

The Carlyle Group is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Investment Solutions. With \$260 billion of assets under management as of 31 March 2021, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,800 people in 29 offices across five continents.

Bidco is a newly incorporated company registered in England and Wales which was formed for the purposes of the Acquisition. Bidco is indirectly controlled by Carlyle Europe Partners V Fund, a €6.4bn fund raised in 2018 to invest in European opportunities across a range of sectors and industries, which, together with their affiliates, conduct business as "The Carlyle Group".

7 Information on Vectura

Vectura is a public limited company registered in England and Wales. The Vectura Shares are listed on the Official List of the London Stock Exchange.

Vectura is a provider of innovative inhaled drug delivery solutions that enable partners to bring their medicines to patients. With differentiated proprietary technology and pharmaceutical development expertise, Vectura is one of the few companies globally with the device, formulation and development capabilities to deliver a broad range of complex inhaled therapies.

Vectura has thirteen key inhaled and eleven non-inhaled products marketed by partners with global royalty streams, and a diverse partnered portfolio of drugs in clinical development. Its partners include Hikma, Novartis, Sandoz (a division of Novartis AG), Mundipharma, Kyorin, GSK, Bayer, Chiesi, Almirall, and Tianjin KingYork.

8 Vectura Trading Update

As it customarily has done in the past prior to its annual general meeting, Vectura today has released a trading update (the "**Vectura Trading Update**").

The Vectura Trading Update stated that the gross profit forecast of *flutiform*[®] remains in line with the previous guidance, which was given by Vectura during its analyst call in respect of its 2020 preliminary results on 18 March 2021 (the "**Q4 Call**") (the "**Vectura 2021 flutiform[®] Gross Profit Forecast**"). The Vectura 2021 *flutiform*[®] Gross Profit Forecast is treated as a profit forecast for the purposes of Rule 28 of the Takeover Code.

The Vectura Directors confirm that the Vectura 2021 *flutiform*[®] Gross Profit Forecast remains valid, that it has been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with Vectura's accounting policies. Further details of the Vectura 2021 *flutiform*[®] Gross Profit Forecast, which includes the basis of preparation and the assumptions used, are set out in Appendix IV to this announcement.

9 Strategy, directors, management, employees, research and development and locations

Bidco is fully supportive of Vectura's strategy to become one of the market leading CDMOs in the inhalation segment and appreciates the complexity involved in managing such a transition. Bidco believes that a private market setting would be significantly more conducive to the execution of such a significant strategy shift. In particular, it would allow Bidco to support Vectura and its management much more effectively by providing them with access to both significant institutional knowledge and experience in relevant areas and greater financial flexibility and capacity than would otherwise be available to Vectura.

Prior to this announcement, consistent with market practice, Bidco has been granted access to Vectura's senior management for the purposes of confirmatory due diligence. However, Bidco has not yet had access to sufficiently detailed information to formulate specific plans regarding the impact of the Acquisition on the Vectura Group.

Employees and management

Bidco attaches great importance to the skill and experience of Vectura's management and employees and recognises that the employees and management of the Vectura Group will be key to its future success. Bidco does not have any intention of making any material changes

to the conditions of employment or to the balance of the skills and functions of the Vectura Group's employees or management.

There may be some limited restructuring required following completion of the Acquisition. In particular, once Vectura ceases to be a listed company, certain corporate and support functions relating to Vectura's status as a listed company may potentially require limited reductions in headcount.

It is intended that, upon completion of the Acquisition, each of the non-executive members of the Vectura Board shall resign from his or her office as a director of Vectura.

Existing rights and pensions

Bidco confirms that, following the Scheme becoming effective, the existing contractual and statutory employment rights, including in relation to the Vectura Group's pension schemes, of all Vectura management and employees will be fully safeguarded in accordance with applicable law.

Bidco does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members.

Management incentivisation arrangements

Bidco has not entered into, and has not discussed any form of incentivisation arrangements with, members of Vectura's management. Bidco expects to put in place certain incentive arrangements for the management of Vectura following completion of the Acquisition.

Research and development

Bidco does not intend to make any material changes to the R&D functions. Bidco intends for Vectura to maintain a level of expenditure on research and development consistent with its past practice and completion of existing co-development projects.

Headquarters, locations and fixed assets

As disclosed in its Annual Report and Accounts 2020, Vectura intends to move part of its functions from its headquarters in Chippenham to a new Inhalation Centre of Excellence in the South West of England. Bidco intends to continue with this transition. Bidco does not intend to make any other material changes in the locations of Vectura's headquarters and headquarter functions.

Lyon Site

In March 2021 Vectura signed a put option for the sale of the Lyon manufacturing facility. Bidco intends to continue with the sale process which is expected to complete later this year.

Muttenz Site

As announced in November 2020, Vectura intends to significantly reduce the R&D operations in Muttenz, Switzerland by 2022. Activities previously performed in Switzerland will be transitioned to the UK, and new CDMO contracts will be delivered from the UK. Bidco intends to continue with this footprint optimisation.

Save as set out above, Bidco has no intention to change the locations of Vectura's places of business or to redeploy the fixed assets of Vectura.

Trading Facilities

Vectura Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 14, applications will be made for the cancellation of the listing of Vectura Shares on the Official List and the cancellation of trading of the Vectura Shares on the Main Market of the London Stock Exchange.

10 Vectura Share Plans

Participants in the Vectura Share Plans shall be contacted regarding the effect of the Scheme on their rights under the Vectura Share Plans and, where necessary, appropriate proposals shall be made to such participants in due course. Further details of the terms of such proposals shall be included in the Scheme Document.

The Scheme will extend to any Vectura Shares issued pursuant to the exercise of options or vesting of awards granted under the Vectura Share Plans at or before the Scheme Record Time. The Scheme will not extend to Vectura Shares issued after the Scheme Record Time. However, it is proposed to amend Vectura's articles of association at the General Meeting to provide that, if the Acquisition becomes Effective, any Vectura Shares issued to any person other than Bidco or its nominees after the Scheme Record Time (including in satisfaction of an option exercised under one of the Vectura Share Plans) will be automatically transferred to Bidco in consideration for the payment by Bidco to those persons of an amount equal to the Cash Consideration for each Vectura Share so transferred.

In order to provide participants in the Vectura Share Plans with the benefit of the Interim Dividend:

- a dividend equivalent shall be payable in cash to participants in the 2012 Vectura Long-Term Incentive Plan, the 2015 Vectura Long-Term Incentive Plan, the Vectura Deferred Share Bonus Plan and the Vectura Global Share Incentive Plan on the vesting or exercise of their awards equal to the value of the Interim Dividend;
- Vectura shall pay to each participant in the Vectura Approved Share Option Plan, the Vectura Unapproved Share Option Plan and the Vectura Sharesave (SAYE) scheme, an ex gratia cash payment on exercise of their awards equal to the amount of the Interim Dividend multiplied by the number of Vectura Shares received on exercise; and
- each participant in the Vectura Share Incentive Plan (SIP), the Vectura Global Share Incentive Plan, the SkyePharma Share Incentive Plan and the SkyePharma International Share Plan, shall be eligible to receive the Interim Dividend in respect of each Vectura Share they hold.

11 Financing

Bidco is providing the cash consideration payable under the Acquisition from a combination of equity to be invested indirectly by The Carlyle Group and debt to be provided pursuant to an interim facilities agreement that has been arranged by Royal Bank of Canada.

Under the interim facilities agreement entered into between (among others) Bidco as borrower and Royal Bank of Canada as lender on or about the date of this announcement (the “**Interim Facilities Agreement**”), Bidco shall not waive, amend or treat as satisfied any material term or condition relating to the Acquisition from that set out in this announcement where such amendment, waiver or treatment would be materially adverse to the interests of the interim

lender(s) (taken as a whole) under the Interim Facilities Agreement, except in certain limited circumstances.

Bidco has agreed with Royal Bank of Canada that in the event of a switch to a Takeover Offer, it will not reduce the acceptance condition to below 75 per cent. without their prior approval.

Morgan Stanley, lead financial adviser to Bidco, is satisfied that sufficient resources are available to satisfy in full the Cash Consideration payable to Vectura Shareholders under the terms of the Acquisition.

12 Offer-related arrangements

Confidentiality Agreement

CECP Advisors LLP and Vectura entered into a confidentiality and standstill agreement dated 29 April 2021 (the “**Confidentiality Agreement**”) pursuant to which CECP Advisors LLP has undertaken to (i) keep confidential information relating to, inter alia, the Offer and Vectura and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) use the confidential information only for the purpose of the Offer.

These confidentiality obligations shall remain in force for a period of 24 months from the date of the Confidentiality Agreement. This agreement also includes customary non-solicitation obligations on CECP Advisors LLP. CECP Advisors LLP also agreed to certain standstill undertakings, all of which ceased to apply upon the release of this announcement.

Clean Team and Joint Defence Agreement

CECP Advisors LLP, Vectura and their respective counsel entered into a clean team and joint defence agreement dated 14 May 2021, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the regulatory workstreams (including foreign investment and antitrust) only takes place between their respective legal counsel and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

Co-operation Agreement

Bidco and Vectura have entered into a co-operation agreement dated on or around the date of this announcement, pursuant to which:

- (a) Bidco has agreed to incur certain obligations with a view to securing the regulatory clearances and authorisations necessary to satisfy the Regulatory Conditions as soon as reasonably practicable; and
- (b) Bidco and Vectura have agreed to certain undertakings to co-operate in relation to obtaining such regulatory clearances and authorisations.

Bidco has agreed to waive the French Foreign Investment Condition if the proposed sale of Vectura’s Lyon manufacturing facility completes prior to the Effective Date.

The Co-operation Agreement also records Bidco’s and Vectura’s intentions to implement the Acquisition by way of the Scheme, subject to Bidco having the right to implement the Acquisition by way of a Takeover Offer in certain circumstances.

The Co-operation Agreement also contains provisions that shall apply in respect of the Vectura Share Plans and certain other employee-related matters.

The Co-operation Agreement shall be terminated with immediate effect if: (i) Bidco and Vectura so agree in writing; (ii) the Acquisition is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel (other than in certain limited circumstances); or (iii) unless otherwise agreed by the parties in writing or required by the Panel, the Effective Date has not occurred by the Long Stop Date.

Each of Bidco and Vectura has the right to terminate the Co-operation Agreement if, prior to the Long Stop Date, any Condition is invoked by Bidco (where such invocation has been permitted by the Panel).

Bidco has the right to terminate the Co-operation Agreement if: (i) the Vectura Board announces that it shall not convene the Court Meeting or the General Meeting or that it does not intend to publish the Scheme Document; (ii) the Vectura Board otherwise withdraws, adversely modifies or adversely qualifies its recommendation of the Acquisition; (iii) a third party announces a firm intention under the Takeover Code to make an offer for Vectura which is recommended by the Vectura Board, or (iv) a competing proposal becomes effective or is declared or becomes wholly unconditional.

13 Structure of and Conditions to the Acquisition

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between Vectura and Vectura Shareholders under Part 26 of the Companies Act, although Bidco reserves the right to implement the Acquisition by means of a Takeover Offer (subject to Panel consent).

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of Vectura. This is to be achieved by the transfer of the Vectura Shares to Bidco, in consideration for which the Vectura Shareholders shall receive Cash Consideration on the basis set out in paragraph 2 of this announcement. The Scheme does not include the acquisition of the Vectura Preference Shares. The holder(s) of the Vectura Preference Shares are entitled to receive notice of and attend, but not vote at, the General Meeting.

The Acquisition shall be subject to the Conditions and further terms set out below and in Appendix I to this announcement and to be set out in the Scheme Document and shall only become Effective if, among other things, the following events occur on or before the Long Stop Date or such later date as may be agreed by Bidco and Vectura (with the Panel's consent and as the Court may approve (if such consent or approval is required)):

- (i) the approval of the Scheme by a majority in number of the Vectura Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. in value of the Vectura Shares voted by those Vectura Shareholders;
- (ii) the resolutions required to approve and implement the Scheme being duly passed by Vectura Shareholders representing at least 75 per cent. of votes cast at the General Meeting (or any adjournment thereof);
- (iii) the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Vectura and Bidco);
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies;

- (v) none of the Dividend Related Resolutions being approved by Vectura Shareholders;
- (vi) the satisfaction or waiver of the UK National Security and Investment Condition, the French Foreign Investment Condition and the German Foreign Investment Condition; and
- (vii) approval under the respective merger control rules by the Competition and Consumer Protection Commission of the Republic of Ireland and the Japanese Fair Trade Commission being obtained.

The Scheme shall lapse if:

- the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of such meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Vectura) and, if required, the Court may allow);
- the Court Hearing is not held by the 22nd day after the expected date of such hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and Vectura) and, if required, the Court may allow); and
- the Scheme does not become effective by the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing as set out above may be waived by Bidco, and the deadline for the Scheme to become effective may be extended by agreement between Vectura and Bidco (with the Panel's consent and as the Court may approve (if such consent or approval is required)).

Upon the Scheme becoming effective, it shall be binding on all Vectura Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour).

On the Effective Date, share certificates in respect of Vectura Shares shall cease to be valid and entitlements to Vectura Shares held within the CREST system shall be cancelled. The Cash Consideration in respect of the Acquisition will be despatched by or on behalf of Bidco to Vectura Shareholders no later than 14 days after the Effective Date.

Further details of the Scheme, including an indicative timetable for its implementation, shall be set out in the Scheme Document which shall be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this announcement. Subject to satisfaction (or waiver, where applicable) of the Conditions, the Scheme is expected to become effective during Q3 2021.

14 De-listing and re-registration

Prior to the Scheme becoming effective, it is intended that an application will be made for the cancellation of trading of the Vectura Shares on the London Stock Exchange's main market for listed securities and for the cancellation of the listing of Vectura Shares on the Official List, in each case to take effect following the Effective Date. The last day of dealings in Vectura Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. on that date.

It is also proposed that, following the Effective Date, Vectura shall be re-registered as a private limited company. A special resolution to approve the re-registration will be proposed at the General Meeting.

15 Special Dividend, Share Consolidation, DRIP and Interim Dividend

On 21 April 2021, Vectura announced the Special Dividend, the Share Consolidation and DRIP. On 23 April 2021, Vectura published a shareholder circular convening the Dividend General Meeting.

The amount of the Cash Consideration was determined with reference to the existing number of issued and to be issued Vectura Shares prior to the Share Consolidation, but after payment of the Special Dividend. Therefore the Vectura Directors have sought the means to pay a dividend of 19 pence per Vectura Share without a consolidation of share capital afterwards. Due to the fact that the Special Dividend Resolution and Share Consolidation Resolution are inter-conditional, it is not possible to proceed with one, and not the other, so the Vectura Directors have resolved to withdraw their recommendation of the Special Dividend. Under Vectura's Articles no dividend may be paid in an amount exceeding the sum recommended by the Vectura Directors, which means that the Special Dividend Resolution can have no effect, even if passed by Vectura Shareholders. Since the Share Consolidation Resolution is conditional on the Special Dividend Resolution being passed, this must fail and as the Buyback Resolution is conditional on both of the other Dividend Related Resolutions being passed, this too must fail. Therefore, the chairman of the Dividend General Meeting will, withdraw all the Dividend Related Resolutions and immediately adjourn the meeting *sine die*.

In replacement of the Special Dividend, the Vectura Directors have declared the Interim Dividend. The Interim Dividend does not require shareholder approval and, consistent with the terms on which the Special Dividend was proposed, will become payable on 11 June 2021 to Vectura Shareholders on the Register as at 6.00 p.m. on 28 May 2021.

As a result of the Acquisition, the Vectura Directors have also resolved to terminate the DRIP. Any elections to participate in the DRIP will be ineffective, there will not be a replacement dividend reinvestment plan for the Interim Dividend and all eligible Vectura Shareholders will receive the Interim Dividend entirely in cash.

If, on or after the date of this announcement and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Vectura (other than, or in excess of, the Interim Dividend), Bidco reserves the right to reduce the Cash Consideration by an amount up to the amount of such dividend, distribution or other return of value or excess. In such circumstances, Vectura Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

16 Disclosure of Interests in Vectura

Save in respect of the irrevocable undertakings referred to in paragraph 4 above, as at the close of business on 25 May 2021 (being the last practicable date prior to the date of this announcement) neither Bidco nor any of its directors nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it has (i) any interest in or right to subscribe for any relevant securities of Vectura; (ii) any short positions in respect of relevant Vectura Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; (iii) any

dealing arrangement (of the kind referred to in Note 11 of the definition of Acting in Concert in the Takeover Code) in relation to Vectura Shares or in relation to any securities convertible or exchangeable into Vectura Shares; nor (iv) borrowed or lent any relevant Vectura Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person shall be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

It has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, all relevant details in respect of Bidco's concert parties shall be included in the Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

17 General

Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the Vectura Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (subject to the terms of the Co-operation Agreement) or such lesser percentage (being more than 50 per cent.) as Bidco may decide or as required by the Panel, of the shares to which such Takeover Offer relates.

The Acquisition shall be made subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which will be set out in the Scheme Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings given in relation to the Acquisition is contained in Appendix III to this announcement. Appendix IV contains details of the Vectura 2021 *flutiform*[®] Gross Profit Forecast. Certain terms used in this announcement are defined in Appendix V to this announcement.

It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document shall be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this announcement. The Scheme Document and Forms of Proxy shall be made available to all Vectura Shareholders at no charge to them.

Morgan Stanley and RBC Capital Markets (as Bidco's financial advisers) and J.P. Morgan Cazenove and Rothschild & Co (as Vectura's financial advisers) have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

18 Documents available on website

Copies of the following documents shall be made available on Vectura's website at www.vectura.com until the Effective Date:

- the irrevocable undertakings referred to in paragraph 4 above and summarised in Appendix III to this announcement;
- the documents relating to the financing of the Scheme referred to in paragraph 11 above;
- the offer-related arrangements or other agreement, arrangement or commitment permitted under, or excluded from, Rule 21 of the Takeover Code, each as referred to in paragraph 12 above; and
- this announcement.

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Linklaters LLP is retained as legal adviser to Carlyle and Bidco. Latham & Watkins LLP and Ropes & Gray LLP are retained as antitrust and regulatory legal advisers respectively to Carlyle and Bidco.

Clifford Chance LLP is retained as legal adviser to Vectura.

Important Notices

*Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA in the UK is acting exclusively as financial adviser to Bidco and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.*

RBC Capital Markets is the trading name for RBC Europe Limited, which is authorised by the PRA and regulated in the UK by the FCA and the PRA and is a subsidiary of Royal Bank of Canada. RBC Capital Markets is acting exclusively for Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA. J.P. Morgan Cazenove is acting as financial adviser and corporate broker exclusively for Vectura and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.*

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Vectura and for no one else in connection with the*

subject matter of this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Vectura and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Vectura for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

Further Information

This announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.

The Acquisition shall be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) which, together with the Forms of Proxy (or form of acceptance), shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Vectura and Bidco shall prepare the Scheme Document to be distributed to Vectura Shareholders. Vectura and Bidco urge Vectura Shareholders to read the Scheme Document when it becomes available because it shall contain important information relating to the Acquisition.

This announcement does not constitute a prospectus or prospectus exempted document.

Overseas Shareholders

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition to Vectura Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

Additional information for US investors

The Acquisition relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.

Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.

However, if Bidco were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.

In accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Vectura outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its Vectura Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Vectura Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Financial information relating to Vectura included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Bidco and Vectura are both organised under the laws of England and Wales. Some or all of the officers and directors of Bidco and Vectura, respectively, are residents of countries other than the United States. In addition, most of the assets of Bidco and Vectura are located outside the United States. As a result, it may be difficult for US shareholders of Vectura to effect service of process within the United States upon Bidco or Vectura or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the federal or state securities laws of the United Kingdom.

Forward Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Vectura, Bidco or any member of the Bidco Group contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based

on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Bidco or any member of the Bidco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Bidco or any member of the Bidco Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, any member of the Bidco Group or Vectura's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, any member of the Bidco Group or Vectura's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances includes changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Vectura or any of Bidco or any member of the Bidco Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Vectura Group, there may be additional changes to the Vectura Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Bidco Group or Vectura Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Vectura, the Bidco Group and Bidco expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

Other than the Vectura 2021 flutiform® Gross Profit Forecast, no statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Bidco or Vectura, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Bidco or Vectura, as appropriate.

The Vectura 2021 flutiform® Gross Profit Forecast is a profit forecast for the purposes of Rule 28 of the Code. As required by Rule 28.1 of the Code, the assumptions on which the Vectura 2021 flutiform® Gross Profit Forecast is stated are set out in Appendix IV to this announcement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by Vectura Shareholders, persons with information rights and other relevant persons for the receipt of communications from Vectura may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on website and availability of hard copies

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Vectura's website at www.vectura.com by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.

You may request a hard copy of this announcement by contacting Vectura's registrar, Computershare Investor Services Plc, on 0370 707 1387 (or from outside of the UK, on +44 (0)370 707 1387) between 8:30 a.m. to 5:30 p.m. Monday to Friday (London time) or by submitting a request in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 Disclosure

In accordance with Rule 2.9 of the Takeover Code, as at the close of business on 25 May 2021 (being the business day prior to the date of this announcement), Vectura confirms that it had in issue 598,070,219 ordinary shares of 0.0271 pence (excluding shares held in treasury) each with voting rights and admitted to trading on the main market of the London Stock Exchange under the ISIN code GB00BKM2MW97.

General

If the Acquisition is effected by way of a Takeover Offer, such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Vectura Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Vectura Shares otherwise than under any Takeover Offer or the Scheme such as pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

Part A: Conditions of the Scheme and the Acquisition

1 The Acquisition is conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by not later than the Long Stop Date.

2 The Scheme shall be subject to the following conditions:

2.1

- (i) its approval by a majority in number of the Vectura Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Vectura Shares voted by those Vectura Shareholders; and
- (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed by Bidco and Vectura and, if required, the Court may allow);

2.2

- (i) the resolutions required to implement the Scheme being duly passed by Vectura Shareholders representing 75 per cent. or more of votes cast at the General Meeting; and
- (ii) such General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed by Bidco and Vectura and, if required, the Court may allow);

2.3

- (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Vectura and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed by Bidco and Vectura and, if required, the Court may allow).

3 In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Republic of Ireland

- (a) the occurrence of one of the following events:

- (i) the Irish Competition and Consumer Protection Commission (the "**Irish Authority**") having informed Bidco and Vectura in writing under s.21(2)(a) of the Irish Competition Act 2002 (the "**Irish Competition Act**") that the Acquisition may be put into effect without any proposals from any of the parties under s.20(3) of the Irish Competition Act being taken into account;
- (ii) the period specified in s.21(2) of the Irish Competition Act having lapsed without the Irish Authority having informed the parties of the determination (if any) it has made under the said section;
- (iii) the period of 120 working days after the relevant appropriate date having elapsed without the Irish Authority having made a determination under s.22(3) of the Irish Competition Act in relation to the Acquisition (the "**Irish Antitrust Condition**");

Japan

- (b) following the filing of a notification of the Acquisition under the Law relating to Prohibition of Private Monopolisation and Maintenance of Fair Trade (Law No. 54 of 14 April 1947, as amended (the "**Law**")):
 - (i) the waiting period (i.e., thirty calendar days, or any shorter period if designated by the Japan Fair Trade Commission (the "**JFTC**") in its notification of shortening the waiting period, following the date of the notification (the "**Waiting Period**")) has expired; and
 - (ii) the JFTC has issued to Bidco, within the Waiting Period or, if the JFTC has requested Bidco to submit necessary reports, information or materials (the "**Reports**") under Paragraph 9, Article 10 of the Law (including *mutatis mutandis* application under the Law) during the Waiting Period, within one hundred and twenty calendar days following the date of the notification or ninety calendar days following the date of the JFTC's acceptance of all the Reports, whichever is later, a written notice confirming the JFTC's decision not to issue a cease and desist order without attaching to its decision any conditions or obligations (the "**Japanese Antitrust Condition**");

UK National Security and Investment

- (c) if the National Security and Investment Act 2021 (the "**NSI Act**") comes into force before the Effective Date and either the Secretary of State for Business, Energy and Industrial Strategy (the "**UK Secretary of State**") has informed Bidco and/or Vectura that a mandatory notification is required under the NSI Act or the Parties, acting reasonably, agree that a mandatory notification is required under the NSI Act, the approval for the Acquisition by the UK Secretary of State under the NSI Act ("**UK National Security and Investment Condition**");

French Foreign Investment

- (d) should the activities of the French entity(ies) fall within the scope of article R. 151-3 of the French Code Monétaire et Financier, pursuant to articles L.151-2 and seq. and R.153-1 and seq. of the French Code Monétaire et Financier, receipt from the French Ministry for the Economy of (i) the approval of the Acquisition or (ii) the written confirmation that no such approval is required for the Acquisition ("**French Foreign Investment Condition**");

German Foreign Investment

- (e) the German Ministry for Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*):
- (i) having either issued a certificate of non-objection (*Unbedenklichkeitsbescheinigung*) pursuant to Sec. 58(1) sentence 1 of the Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*, the "**AWV**") or a clearance decision pursuant to Sec. 58a(1) sentence 1 AWV (*Freigabe*) in relation to the Acquisition (hereinafter, each a "**Formal Decision**"), or
 - (ii) having neither issued a Formal Decision nor initiated a formal investigation pursuant to Sec. 55(1), (3) AWV within the statutory review period pursuant to Sec. 14a(1) no. 1, (3), (5) of the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*, the "**AWG**"), in relation to the Acquisition after receipt of a due application for a Formal Decision, or
 - (iii) having, in the event of a formal investigation pursuant to Sec. 55(1), (3) AWV,
 - approved the Acquisition by issuing a Formal Decision, or
 - failed to prohibit the Acquisition within the period specified in Sec. 59(1) AWV in conjunction with Sec. 14a(1) no. 2, (4), (5), (6) and (7) AWG, or
 - (iv) having declared in writing that the Acquisition can be closed without having obtained prior approval by the German Ministry for Economic Affairs and Energy ("**German Foreign Investment Condition**"),

provided that the German Foreign Investment Condition shall be deemed to be satisfied at the time upon which each of the Irish Antitrust Condition, the Japanese Antitrust Condition, the UK National Security and Investment Condition and the French Foreign Investment Condition have been satisfied or waived or confirmed or are inapplicable, save that where (i) before such time, the German Ministry for Economic Affairs and Energy has informed Bidco and/or Vectura that the Acquisition cannot be closed without having obtained prior approval by the German Ministry for Economic Affairs and Energy, or (ii) Bidco and Vectura, acting reasonably, agree that it can reasonably be assumed that the German Ministry for Economic Affairs and Energy believes this to be the case;

Dividend Related Resolutions

- (f) none of the Dividend Related Resolutions being approved by Vectura Shareholders either at the Dividend General Meeting or at any subsequent or adjourned meeting of the Vectura Shareholders;

Notifications, waiting periods and Authorisations

- (g) excluding the Conditions set out under paragraphs 3(a) to (e) above, all notifications, filings or applications which are necessary or reasonably considered necessary by Bidco having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations deemed reasonably necessary or appropriate by Bidco in any jurisdiction for or in respect of

the Acquisition and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Vectura or any other member of the Wider Vectura Group by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Vectura Group or the Wider Bidco Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Vectura Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

- (h) excluding the Conditions set out under paragraphs 3(a) to (e) above, no Relevant Authority having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Vectura Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Bidco Group or the Wider Vectura Group, in either case taken as a whole;
 - (ii) other than pursuant to Chapter 3 of part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Vectura Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Vectura Group or any asset owned by any Relevant Authority (other than in the implementation of the Acquisition), which is material in the context of the Wider Bidco Group or the Wider Vectura Group, in either case taken as a whole;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Vectura or on the ability of any member of the Wider Vectura Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Vectura Group to an extent which is material in the context of the Wider Vectura Group or the Wider Bidco Group, in either case taken as a whole;

- (iv) otherwise materially adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Vectura Group or any member of the Wider Bidco Group;
- (v) result in any member of the Wider Vectura Group or the Wider Bidco Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vi) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Vectura by any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Vectura by any member of the Wider Bidco Group;
- (vii) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Vectura Group or any member of the Wider Bidco Group; or
- (viii) impose any limitation on the ability of any member of the Wider Bidco Group of any member of the Wider Vectura Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Vectura Group which is material in the context of the Wider Vectura Group or the Wider Bidco Group, in either case taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Vectura Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- (i) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Vectura Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in Vectura or because of a change in the control or management of any member of the Wider Vectura Group or otherwise, would reasonably be expected to result in, and in each case to an extent which is material in the context of the Wider Bidco Group or the Wider Vectura Group as a whole:

- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Vectura Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) the enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Vectura Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (iii) any liability of any member of the Wider Vectura Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (iv) the rights, liabilities, obligations, interests or business of any member of the Wider Vectura Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Vectura Group or any member of the Wider Bidco Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- (v) any member of the Wider Vectura Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (vi) the value of, or the financial or trading position or prospects of, any member of the Wider Vectura Group being prejudiced or adversely affected; or
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Vectura Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Vectura Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would, or would reasonably be expected to, result in any of the events or circumstances as are referred to in Conditions 3(i) (i) to (vii);

Certain events occurring since 31 December 2020

- (j) except as Disclosed, no member of the Wider Vectura Group having since 31 December 2020:
 - (i) save as between Vectura and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of Vectura Shares on the exercise of options or vesting of awards granted in the ordinary course under the Vectura Share Plans issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose

the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Vectura Shares out of treasury (except, where relevant, as between Vectura and wholly owned subsidiaries of Vectura or between the wholly owned subsidiaries of Vectura and except for the issue or transfer out of treasury of Vectura Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Vectura Share Plans);

- (ii) except for the Interim Dividend (and except for the recommendation only of the Special Dividend), recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Vectura to Vectura or any of its wholly owned subsidiaries;
- (iii) other than pursuant to the Acquisition (and except for transactions between Vectura and its wholly owned subsidiaries or between the wholly owned subsidiaries of Vectura) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof), in any undertaking or undertakings and in each case to an extent which is material in the context of the Wider Vectura Group taken as a whole;
- (iv) except for transactions between Vectura and its wholly owned subsidiaries or between the wholly owned subsidiaries of Vectura disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so, to an extent which, in each case, is material in the context of the Wider Vectura Group taken as a whole;
- (v) except for transactions between Vectura and its wholly owned subsidiaries or between the wholly owned subsidiaries of Vectura, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness to an extent which, in each case, is material in the context of the Wider Vectura Group taken as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Vectura Group to an extent which, in each case, is material in the context of the Wider Vectura Group taken as a whole;

- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or, senior executive of any member of the Wider Vectura Group save for salary increases or bonuses in the ordinary course;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Vectura Group, which is material in the context of the Wider Vectura Group taken as a whole;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which is material in the context of the Wider Vectura Group as a whole;
- (x) waived, compromised or settled any claim which is material in the context of the Wider Vectura Group taken as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Vectura Group and any other person in a manner which would, or would reasonably be expected to, have a material adverse effect on the financial position of the Wider Vectura Group taken as a whole;
- (xii) made any material alteration to its memorandum or articles of association or other incorporation documents (in each case, other than in connection with the Scheme);
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
 - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Vectura Group for its directors, employees or their dependants;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Vectura Group taken as a whole;

- (xv) (other than in respect of a member of the Wider Vectura Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) (except for transactions between Vectura and its wholly owned subsidiaries or between the wholly owned subsidiaries), made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into or implemented, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which, in each case, is material in the context of the Wider Vectura Group taken as a whole;
- (xviii) having taken (or agreed to take) any action which requires or would require, the consent of the Panel or the approval of Vectura Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
- (xix) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(j);

No adverse change, litigation, regulatory enquiry or similar

- (k) except as Disclosed, since 31 December 2020 there having been:
 - (i) no adverse change and no circumstance having arisen which would be or be reasonably likely to be expected to result in any material adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Vectura Group to an extent which is material in the context of the Wider Vectura Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Vectura Group or to which any member of the Wider Vectura Group is or is reasonably likely to be a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Vectura Group, which, in any such case, would reasonably be expected to have a material adverse effect on the Wider Vectura Group as a whole;
 - (iii) no enquiry, review or investigation by, or complaint or reference to, any Relevant Authority against or in respect of any member of the Wider Vectura

Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Vectura Group, which, in any such case, would reasonably be expected to have a material adverse effect on the Wider Vectura Group as a whole;

- (iv) no contingent or other liability having arisen or become apparent to Bidco or increased other than in the ordinary course of business which is reasonably likely to affect materially and adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Vectura Group to an extent which is material in the context of the Wider Vectura Group taken as a whole;
- (v) no member of the Wider Vectura Group having conducted its business in breach of applicable laws and regulations in a manner which is material in the context of the Wider Vectura Group as a whole; and
- (vi) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Vectura Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to have an adverse effect on the Wider Vectura Group taken as a whole;

No discovery of certain matters regarding information, liabilities and environmental issues

- (l) except as Disclosed, Bidco not having discovered since 31 December 2020:
 - (i) that any financial, business or other information concerning the Wider Vectura Group publicly announced prior to the date of this announcement or disclosed to any member of the Wider Bidco Group by or on behalf of any member of the Wider Vectura Group prior to the date of this announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, and which is, in any case, material in the context of the Wider Vectura Group taken as a whole;
 - (ii) that any member of the Wider Vectura Group or any partnership, company or other entity in which any member of the Wider Vectura Group has a significant economic interest and which is not a subsidiary undertaking of Vectura is subject to any liability, contingent or otherwise and which is material in the context of the Wider Vectura Group taken as a whole;
 - (iii) any information which affects the impact of any information disclosed at any time by or on behalf of the Wider Vectura Group and which is material in the context of the Wider Vectura Group taken as a whole;
 - (iv) that any past or present member of the Wider Vectura Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of

humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Vectura Group which is material in the context of the Wider Vectura Group taken as a whole;

- (v) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Vectura Group;
- (vi) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Vectura Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Relevant Authority in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto in any such case which is material in the context of the Wider Vectura Group taken as a whole; or
- (vii) that circumstances exist (whether as a result of making the Acquisition or otherwise) which would be reasonably likely to lead to any Relevant Authority instituting (or whereby any member of the Wider Vectura Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Vectura Group (or on its behalf) or by any person for which a member of the Wider Vectura Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Vectura Group taken as a whole;

Anti-corruption, sanctions and criminal property

- (m) except as Disclosed, Bidco not having discovered that:
 - (i) any past or present member of the Wider Vectura Group or any person that performs or was performing services for or on behalf of any such company (including any past or present director, officer, employee or agent) is or has, in each case only whilst a member of or performing services for or on behalf of the Wider Vectura Group, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation;

- (ii) any past or present member of the Wider Vectura Group has engaged in any transaction which would cause any member of the Wider Bidco Group to be in breach of applicable law or regulation upon completion of the Acquisition, including the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;
- (iii) any member of the Wider Vectura Group, or any of their respective directors, officers or employees, is ineligible to be (or any past member of the Wider Vectura Group was, or any past director, officer or employee who was at any time during the course of their engagement with any past or present member of the Wider Vectura Group, ineligible to be) awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended); or
- (iv) any asset of any member of the Wider Vectura Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Certain further terms of the Acquisition

- 1** Subject to the requirements of the Panel, Bidco reserves the right to waive:
 - (i) the deadline set out in Condition 1 and any of the deadlines set out in Condition 2 for the timing of the Court Meeting, General Meeting and/or the Court Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Vectura to extend the deadline in relation to the relevant Condition; and
 - (ii) in whole or in part, all or any of the above Conditions 3(a) to (m) (inclusive).
- 2** If Bidco is required by the Panel to make an offer for Vectura Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
- 3** The Scheme shall not become Effective if:
 - (i) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission initiates proceedings under Article 6(1)(c) of the Regulation; or
 - (ii) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference,
 in each case, before the date of the Court Meeting.
- 4** Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to (m) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of

the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

5 The Vectura Shares acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made on or after the date of this announcement, save for the Interim Dividend.

6 If, on or after the date of this announcement and prior to or on the Effective Date, any dividend, distribution or other return of value is declared, paid or made or becomes payable by Vectura (other than, or in excess of, the Interim Dividend) and with a record date on or prior to the Effective Date, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Conditions 3(f) or 3(j)(ii) of this Appendix I) to reduce the Cash Consideration by an amount up to the amount of such dividend, distribution or other return of value or excess. In such circumstances, Vectura Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made on or prior to the Effective Date and Bidco exercises its rights under this paragraph 6 to reduce the Cash Consideration, any reference in this announcement to the Cash Consideration shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled, the Cash Consideration shall not be subject to change in accordance with this paragraph 6.

Bidco also reserves the right to reduce the Cash Consideration in such circumstances as are, and by such amount as is, permitted by the Panel.

Any exercise by Bidco of its rights referred to in this paragraph 6 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

7 Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the Vectura Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (subject to the terms of the Co-operation Agreement) or such lesser percentage (being more than 50 per cent.) as Bidco may decide or as required by the Panel, of the shares to which such Takeover Offer relates.

- 8** The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 9** The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 10** Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. Whether or not such Condition can be invoked would be determined by the Panel. The Conditions in paragraphs 1 and 2 of Part A of this Appendix I are not subject to this provision of the Takeover Code.
- 11** Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 12** The Acquisition is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to the full terms and conditions which will be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) As at 25 May 2021 (being the last Business Day prior to publication of this announcement), there were 598,070,219 Vectura Shares in issue.
- (ii) Any references to the issued and to be issued share capital of Vectura are based on:
- the 598,070,219 Vectura Shares in issue referred to in paragraph (i) above (which includes 1,501,525 Vectura Shares held in the Vectura Group Employee Benefit Trust and 3,604,609 Vectura Shares in the Vectura Group Employee Share Trust to be used to satisfy options and awards under the Vectura Share Plans); and
 - up to 20,039,603 Vectura Shares which may be issued on or after the date of this announcement to satisfy the exercise of options or vesting of awards pursuant to the Vectura Share Plans.
- (iii) The value of the Acquisition based on the Acquisition Value of 155 pence per Vectura Share is calculated on the basis of the issued and to be issued share capital of Vectura (as set out in paragraph (ii) above).
- (iv) Closing Prices and volume-weighted average prices are taken from Bloomberg and have been rounded to the nearest pence.
- (v) Where quoted, foreign exchange spot rates are taken from Bloomberg.
- (vi) Unless otherwise stated, all prices quoted for Vectura Shares are Closing Prices.
- (vii) The adjusted enterprise value of Vectura as at 25 May 2021 (being the last Business Day prior to the date of this announcement) is calculated on the basis of:
- the issued and to be issued share capital of Vectura (as set out in paragraph (ii) above) multiplied by the Closing Price of 122 pence per Vectura Share on 25 May 2021 (being the last Business Day prior to the date of this announcement); *minus*
 - total enterprise value-to-equity bridge of £65.4 million, comprised of £78.6 million of cash, net of £4.2 million of long/short-term borrowings, £2.1 million of retirement benefit obligations and £6.9 million of long/short-term provisions, each as at 31 December 2020; and *minus*
 - £127.6 million of cash received relating to the GSK litigation case, as announced on 21 April 2021.
- (viii) The adjusted enterprise value of Vectura implied by the Acquisition Value is calculated on the basis of:
- the issued and to be issued share capital of Vectura (as set out in paragraph (ii) above) multiplied by the Acquisition Value of 155 pence per Vectura Share; *minus*
 - total enterprise value-to-equity bridge of £65.4 million, comprised of £78.6 million of cash, net of £4.2 million of long/short-term borrowings, £2.1 million of retirement benefit obligations and £6.9 million of long/short-term provisions, each as at 31 December 2020; and *minus*
 - £127.6 million of cash received relating to the GSK litigation case, as announced on 21 April 2021.

- (ix) Vectura's adjusted EBITDA for the 12 months ended 31 December 2020 is calculated by adjusting the operating profit for the non-cash items of depreciation, amortisation and share-based compensation, and for items that are reported as exceptional items, in each case, for the same period.
- (x) Unless otherwise stated, the financial information relating to Vectura is extracted from the audited consolidated financial statements of Vectura for the financial year to 31 December 2020, prepared in accordance with International Financial Reporting Standards.

APPENDIX III IRREVOCABLE UNDERTAKINGS

The following Vectura Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (or to procure the voting in favour of such resolutions) and, if Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, to accept (or procure acceptance of) such offer:

Name of Vectura Director	Number of Vectura Shares in respect of which undertaking is given	Percentage of Vectura issued share capital
Bruno Angelici	236,385	0
Paul Fry	126,043*	0
Thomas Werner	114,775	0
Per-Olof Andersson	46,153	0
Juliet Thompson	45,261	0
Kevin Matthews	12,000	0
Will Downie	1,975*	0
TOTAL	582,592*	0.1

*Includes shares held under the Vectura Share Incentive Plan

The obligations of the Vectura Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Bidco announces, with the consent of the Panel, before the Scheme Document is published that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced by Bidco;
- the Acquisition lapses or is withdrawn in accordance with its terms, provided that this shall not apply: (i) where the Scheme is withdrawn as a result of Bidco exercising its right to implement the Scheme by way of a Takeover Offer (or vice versa); or (ii) if a new, revised or replacement scheme of arrangement or Takeover Offer is or has been announced within five Business Days after any such lapse or withdrawal.

These irrevocable undertakings remain binding in the event of a competing offer, until such competing offer is declared wholly unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

APPENDIX IV PROFIT FORECAST

1 Vectura 2021 *flutiform*® Gross Profit Forecast

- 1.1 On 18 March 2021, Vectura held a call with analysts titled Vectura’s preliminary results 2020 conference call and webcast (the “Q4 Call”). During the Q4 Call Vectura made the following statements:

*“And just looking ahead to 2021, both partners are expecting their in-market sales of flutiform® to grow, albeit the ongoing impact of the pandemic on market volumes is not easy to predict. For us, clearly, the non-repeat of the stock builds we’ve seen over the last couple of years, exaggerated by the weaker in-market sales in the second half of 2020, will mean our shipments in 2021 will be down versus last year. And we guided **in the range of £75 million to £80 million in January, and that remains our best estimate right now. But, clearly, we’ll continue to monitor this as the year unfolds.**”*

...

*For 2021, we’ll see some continuing erosion and in underlying margin, as well as some negative impacts from the expected reduction in shipped volumes versus last year. So, we’re maintaining **the medium-term guidance of 30% to 32% margin for 2021**”*

- 1.2 The above guidance in bold provided during the Q4 Call on *flutiform*® product supply revenue and *flutiform*® product supply margin taken together constitutes guidance on *flutiform*®’s product supply gross profit for the financial year ending 31 December 2021 (the “**Vectura 2021 flutiform® Gross Profit Forecast**”), which for the purposes of Rule 28 of the Takeover Code constitutes an ordinary course profit forecast.
- 1.3 The Trading Update also referred to the Vectura 2021 *flutiform*® Gross Profit Forecast: “*Gross profit remains in line with our previous guidance*”.
- 1.4 The Vectura Directors confirm that, as at the date of this Document, the Vectura 2021 *flutiform*® Gross Profit Forecast remains valid and confirm that the Vectura 2021 *flutiform*® Gross Profit Forecast has been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with Vectura’s accounting policies which are in accordance with IFRS and are those that Vectura applied in preparing its financial statements for the financial year ended 31 December 2020.
- 1.5 Further information on the basis of preparation of the Vectura 2021 *flutiform*® Gross Profit Forecast, including the principal assumptions on which it is based, is set out below.

2 Basis of preparation and principal assumptions

- 2.1 The Vectura 2021 *flutiform*® Gross Profit Forecast is based upon internal Vectura forecasts.
- 2.2 In confirming the Vectura 2021 *flutiform*® Gross Profit Forecast, the Vectura Directors have made the following assumptions in respect of the financial year ending 31 December 2021:

2.2.1 *factors outside the influence or control of the Vectura Directors:*

- (i) a continued gradual economic recovery across the sectors, and within the geographies, served by Vectura as COVID-19 related restrictions are slowly lifted and, specifically, that there will be no material adverse impact on the business resulting from further increased COVID-19 related restrictions;
- (ii) current binding order volumes up to the end of October 2021 are delivered in full;
- (iii) estimated order volumes for November and December 2021 are delivered in full;
- (iv) no material change in the ICS/LABA market in the end markets, as well as to *flutiform*[®]'s performance within that market;
- (v) no material change in the stocking policies of Vectura's partners;
- (vi) no material adverse events which will have a significant impact on the operating results or financial position of Vectura;
- (vii) no sustained strengthening of the pound sterling above the average foreign exchange rates that have applied during the period 1 January 2021 to 25 May 2021 (being the last Business Day prior to this announcement) (inclusive) in respect of the currencies of the major territories in which the Vectura Group operates, in particular the US dollar (at \$1.38 : £1), euro (at €1.15 : £1) and swiss franc (at CHF1.26 : £1);
- (viii) no material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority; and
- (ix) no material change in legislation, taxation, regulatory requirements or the position of any regulatory bodies impacting the Vectura Group's operations or accounting policies.

2.2.2 *factors within the influence or control of the Vectura Directors:*

- (i) no material change in Vectura's contractual relationships with its partners who are responsible for end market sales of *flutiform*[®];
- (ii) no material changes to the senior leadership team of Vectura;
- (iii) no material change to Vectura's existing operational strategy for *flutiform*[®] product supply;

Vectura's accounting policies will be consistently applied over the forecast period to 31 December 2021.

APPENDIX V DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

Acquisition	the recommended cash acquisition being made by Bidco to acquire the entire issued and to be issued ordinary share capital of Vectura not already directly or indirectly owned by Bidco to be effected by means of the Scheme (or by way of Takeover Offer under certain circumstances described in this announcement) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Acquisition Value	155 pence per Vectura Share
Authorisations	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
Bidco	Murano Bidco Limited
Bidco Group	CEP V Investment 15 S.à r.l. and its direct and indirect subsidiaries including, following the Acquisition becoming Effective, the Vectura Group
Business Day	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in London
Buyback Resolution	the resolution proposed at the Dividend General Meeting authorising Vectura to make certain market purchases of Vectura Shares
Cash Consideration	136 pence per Vectura Share
CDMO	contract development & manufacturing organisation
Carlyle	has the meaning given to it on page 3 of this announcement
Closing Price	the closing middle market price of a Vectura Share on a particular trading day as derived from Bloomberg;
CMA Phase 2 Reference	a reference of the Acquisition under section 33 of the Enterprise Act 2002 to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Companies Act	the Companies Act 2006, as amended
Competition and Markets Authority	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
Conditions	the conditions to the implementation of the Acquisition, as set out in Part A of Appendix I to this announcement and to be set out in the Scheme Document

Co-operation Agreement	the agreement dated on or around the date of this announcement between Bidco and Vectura relating to, among other things, the implementation of the Acquisition, as described in paragraph 12 of this announcement
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof
Court Meeting	the meeting of Vectura Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof, notice of which is to be contained in the Scheme Document
Court Order	the order of the Court sanctioning the Scheme
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
CRO	contract research organisation
Dealing Disclosure	has the same meaning as in Rule 8 of the Takeover Code
Disclosed	any information disclosed by or on behalf of Vectura (i) in the annual report and accounts of the Vectura Group for the financial year ended 31 December 2020; (ii) in this announcement; (iii) in any other announcement to a Regulatory Information Service by or on behalf of Vectura prior to the publication of this announcement; (iv) in the virtual data room operated on behalf of Vectura for the purposes of the Acquisition (which Bidco and/or its advisers were able to access prior to the date of this announcement); or (v) as otherwise fairly disclosed to Bidco (or its officers, employees, agents or advisers in their capacity as such) in writing or at any management presentation prior to the date of this announcement by or on behalf of Vectura
Dividend General Meeting	the general meeting of Vectura Shareholders convened for 11.00 a.m. on 27 May 2021 by a notice dated 23 April 2021
Dividend Related Resolutions	the Special Dividend Resolution, the Share Consolidation Resolution and the Buyback Resolution
DRIP	the one-off dividend reinvestment plan in respect of the Special Dividend announced by Vectura on 21 April 2021
EBITDA	earnings before interest, tax, depreciation and amortisation
Effective	in the context of the Acquisition:

	<p>(a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</p> <p>(b) if the Acquisition is implemented by way of a Takeover Offer, such Takeover Offer having been declared or become unconditional in all respects in accordance with the Code</p>
Effective Date	the date on which either the Scheme becomes effective in accordance with its terms or, if Bidco elects, and the Panel consents, to implement the Acquisition by way of the Takeover Offer, the date on which the Takeover Offer becomes or is declared unconditional in all respects
Euroclear	Euroclear UK and Ireland Limited
Ex-Dividend Closing Price	the Closing Price of a Vectura Share on a particular trading day as derived from Bloomberg, less 19 pence, being the value of the Interim Dividend;
FCA or Financial Conduct Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
Forms of Proxy	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
French Foreign Investment Condition	has the meaning given to it in paragraph 3(d) of Part A of Appendix I to this announcement
General Meeting	the general meeting of Vectura Shareholders (including any adjournment thereof) to be convened in connection with the Scheme
German Foreign Investment Condition	has the meaning given to it in paragraph 3(e) of Part A of Appendix I to this announcement
ICS/LABA	inhaled corticosteroid and long-acting beta-agonist
Interim Dividend	the interim dividend of 19 pence for each Vectura Share as announced by Vectura in this announcement;
Interim Dividend Record Date	6.00 p.m. on 28 May 2021
J.P. Morgan Cazenove	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
Listing Rules	the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the publication of the same name, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Long Stop Date	11.59 p.m. on 26 November 2021 or such later date as may be agreed in writing by Bidco and Vectura (with the

	Panel's consent and as the Court may approve (if such consent or approval is required))
Morgan Stanley	Morgan Stanley & Co. International plc
Offer Period	the offer period (as defined by the Takeover Code) relating to Vectura, which commenced on 26 May 2021
Official List	the Official List of the London Stock Exchange
Opening Position Disclosure	has the same meaning as in Rule 8 of the Takeover Code
Overseas Shareholders	Vectura Shareholders (or nominees of, or custodians or trustees for Vectura Shareholders) not resident in, or nationals or citizens of, the United Kingdom
Panel	the Panel on Takeovers and Mergers
Q4 Call	the conference call between Vectura and analysts on 18 March 2021 titled "Vectura's preliminary results 2020"
RBC Capital Markets	RBC Europe Limited
Register	the register of members of the Company
Registrar of Companies	the Registrar of Companies in England and Wales
Regulatory Conditions	the Conditions set out in paragraphs 3(a) to (e) and 3(g) of Part A of Appendix I to this announcement
Regulatory Information Service	any of the services set out in Appendix I to the Listing Rules
Relevant Authority	any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory, environmental, administrative, fiscal or investigative body, authority or tribunal (including any national or supranational antitrust, competition or merger control authority, any sectoral ministry or regulator, any court and any foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or employee representative body in any jurisdiction, including, for the avoidance of doubt, the Panel
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Vectura Shareholders
Rothschild & Co	N.M. Rothschild & Sons Limited

Scheme or Scheme of Arrangement	the proposed scheme of arrangement under Part 26 of the Companies Act between Vectura and the Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Vectura and Bidco
Scheme Document	the document to be sent to Vectura Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting
Scheme Record Time	the time and date specified as such in the Scheme Document
Scheme Shareholders	holders of Scheme Shares and a "Scheme Shareholder" shall mean any one of those Scheme Shareholders
Scheme Shares	<p>the Vectura Shares:</p> <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time <p>excluding, in any case, any Vectura Shares held by or on behalf of Bidco or any member of the Bidco Group or held by Vectura in treasury</p>
Share Consolidation	the proposed 5 for 6 share consolidation announced by Vectura on 21 April 2021 and as set out in the circular published by Vectura on 23 April 2021;
Share Consolidation Resolution	the resolution proposed at the Dividend General Meeting to approve the Share Consolidation
Significant Interest	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking
Special Dividend	the special dividend of 19 pence for each Vectura Share as announced by Vectura on 21 April 2021;
Special Dividend Resolution	the resolution proposed at the Dividend General Meeting to approve the Special Dividend
Takeover Code	the City Code on Takeovers and Mergers

Takeover Offer	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Vectura not then held by Bidco and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer
Trading Update	the trading update released by Vectura on 26 May 2021
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK National Security and Investment Condition	has the meaning given to it in paragraph 3(c) of Part A of Appendix I to this announcement
United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US Exchange Act	the United States Securities Exchange Act 1934, as amended
Vectura	Vectura plc
Vectura Directors	the directors of Vectura at the time of this announcement or, where the context so requires, the directors of Vectura from time to time
Vectura 2021 <i>flutiform</i>[®] Gross Profit Forecast	the guidance given in the Q4 Call on <i>flutiform</i> [®] product supply gross profit for the financial year ending 31 December 2021
Vectura Group	Vectura and its subsidiary undertakings and, where the context permits, each of them
Vectura Preference Shares	the existing unconditionally allotted or issued and fully paid redeemable preference shares of Vectura with a nominal value of £1.00 each
Vectura Shareholders or Shareholders	the holders of Vectura Shares
Vectura Shares	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.0271 pence each in the capital of Vectura and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective
Vectura Share Plans	the Vectura Approved Share Option Plan, the Vectura Unapproved Share Option Plan, the 2012 Vectura Long-Term Incentive Plan, the 2015 Vectura Long-Term Incentive Plan, the Vectura Deferred Share Bonus Plan, the Vectura Sharesave (SAYE) scheme and the Vectura Share Incentive Plan (SIP), the Vectura Global Share Incentive

	Plan, the SkyePharma Share Incentive Plan and the SkyePharma International Share Plan
Voting Record Time	the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined
Wider Bidco Group	Bidco and those funds managed or advised by Carlyle and each of Bidco's and such funds' respective parent undertakings, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such funds and undertakings (aggregating their interests) have a Significant Interest and
Wider Vectura Group	Vectura and associated undertakings and any other body corporate, partnership, joint venture or person in which Vectura and such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this announcement, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act.

All references to “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All references to “**US\$**”, “**\$**” and “**US Dollars**” are to the lawful currency of the United States.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.