Verona Pharma

Breathtaking science

Developing respiratory drugs to improve health and quality of life

H.C. Wainwright
Global Life Sciences Conference
April 2018

www.veronapharma.com

Forward-Looking Statements

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This presentation contains "forward-looking" statements that are based on the beliefs and assumptions and on information currently available to management of Verona Pharma plc (together with its consolidated subsidiaries, the "Company"). All statements other than statements of historical fact contained in this presentation are forward-looking statements. Forward-looking statements include information concerning the initiation, timing, progress and results of clinical trials of the Company's product candidate, the timing or likelihood of regulatory filings and approvals for any of its product candidates, and estimates regarding the Company's expenses, future revenues and future capital requirements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include those under "Risk Factors" in our annual report on Form 20-F filed with the Securities and Exchange Commission (the "SEC") on February 27, 2018, and in its other reports filed with the SEC. Forward-looking statements represent the Company's beliefs and assumptions only as of the date of this presentation. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, the Company assumes no obligation to publicly update any forward-looking statements for any reason after the date of this presentation, or to conform any of the forward-looking statements to actual results or to changes in its expectations.

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Clinical-stage biopharma focused on developing & commercializing **innovative therapeutics** for treatment of **respiratory diseases** with significant **unmet need**

Inhaled dual inhibitor of enzymes PDE3 and PDE4	**RPL554**	Current Focus: COPD and CF

Potential first novel class of bronchodilator in decades
Bronchodilator + anti-inflammatory agent in single compound

COPD: A Substantial Unmet Need For New Maintenance and Acute Treatments

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Maintenance (Home)

24M living with COPD in U.S.

- 15M diagnosed and under treatment
- Approximately 2M severe/very severe

Treatment goals:

- Symptom control and relief
- Improved quality of life
- Improved lung function
- Prevent exacerbations

Acute (Hospital)

687K
Hospitalizations

20%
Rehospitalized within 30 days of discharge

20%
Die within 1 year of hospitalization

129K
Deaths annually

Note: U.S. only data

Number of COPD patients and hospitalizations remains high

RPL554: Rich Product Pipeline

12 completed Phase 1 and 2 clinical trials enrolling >730 subjects

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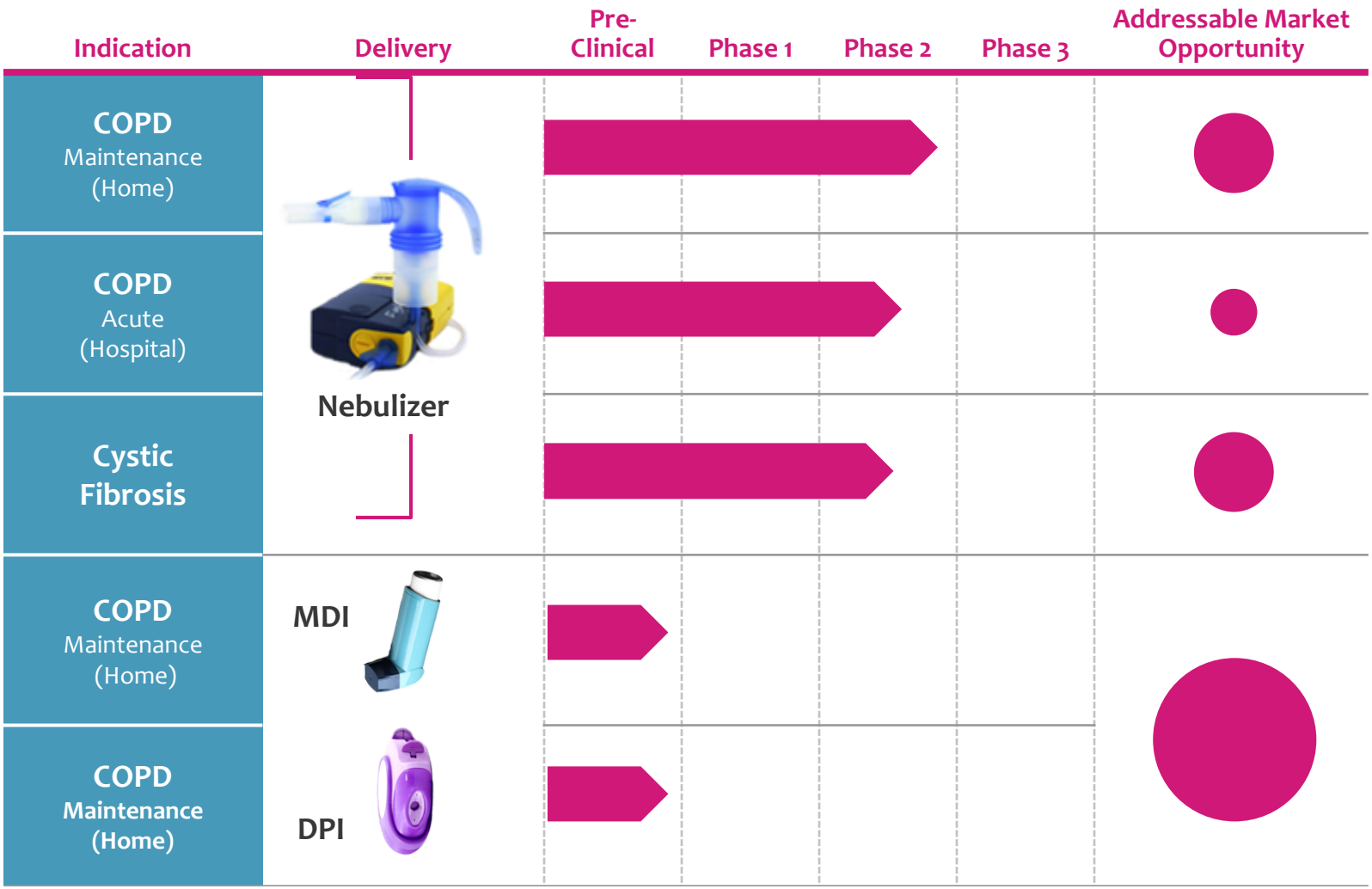

RPL554 also has applications in other significant respiratory diseases such as asthma.

RPL554 First-in-Class Candidate: Bronchodilator and Anti-inflammatory in a Single Compound

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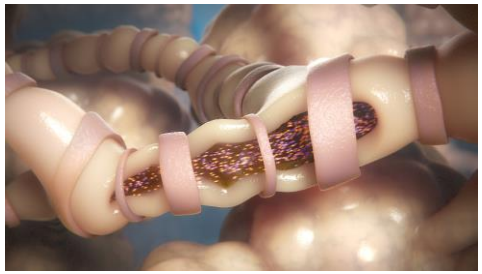
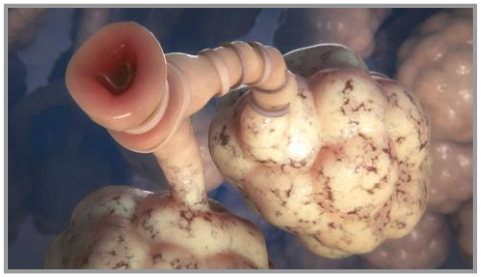
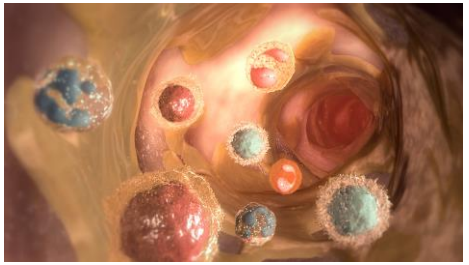
RPL554
Dual **PDE3** and **PDE4** enzyme inhibitor

Impacts 3 Key Mechanisms in Respiratory Disease:







Airway Smooth Muscle

PDE3, PDE4

Relaxation

↓

Increased bronchodilation

Inflammatory Cells

Neutrophils
PDE4

Epithelial cells
PDE3, **PDE4**

Macrophages
PDE3, **PDE4**

Eosinophils
PDE4

Lymphocytes
PDE3, **PDE4**

Fibroblasts
PDE4

↓

Increased anti-inflammatory effects

Epithelial Cells

PDE3, **PDE4**

CFTR Activation

↓

Increased mucociliary clearance

RPL554:
Potential to Address Limitations of Current Therapies

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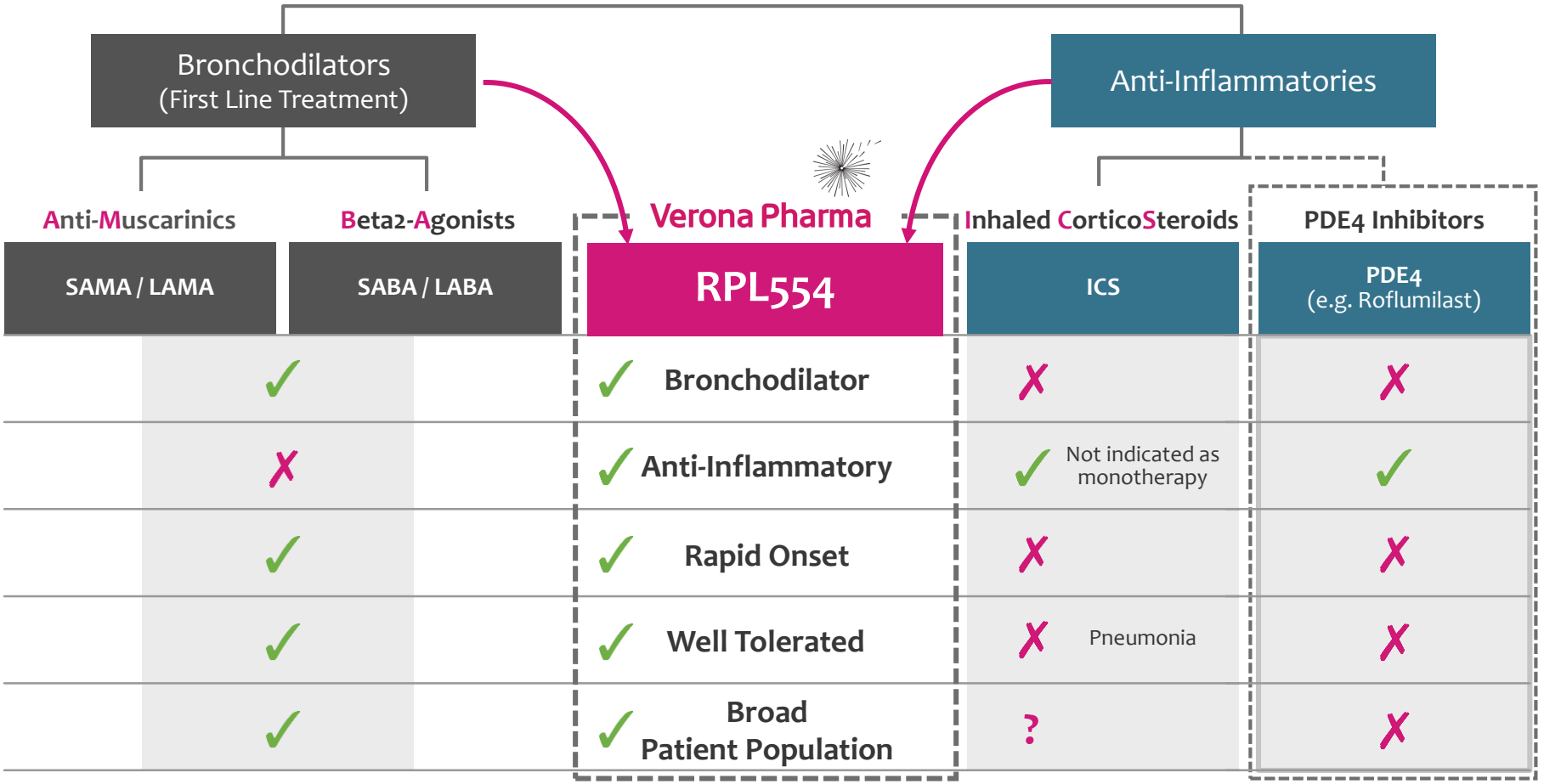

Eventually patients will have "exhausted" all available drug therapies

RPL554: Potential to Improve Standard of Care Treatment for More Severe Patients

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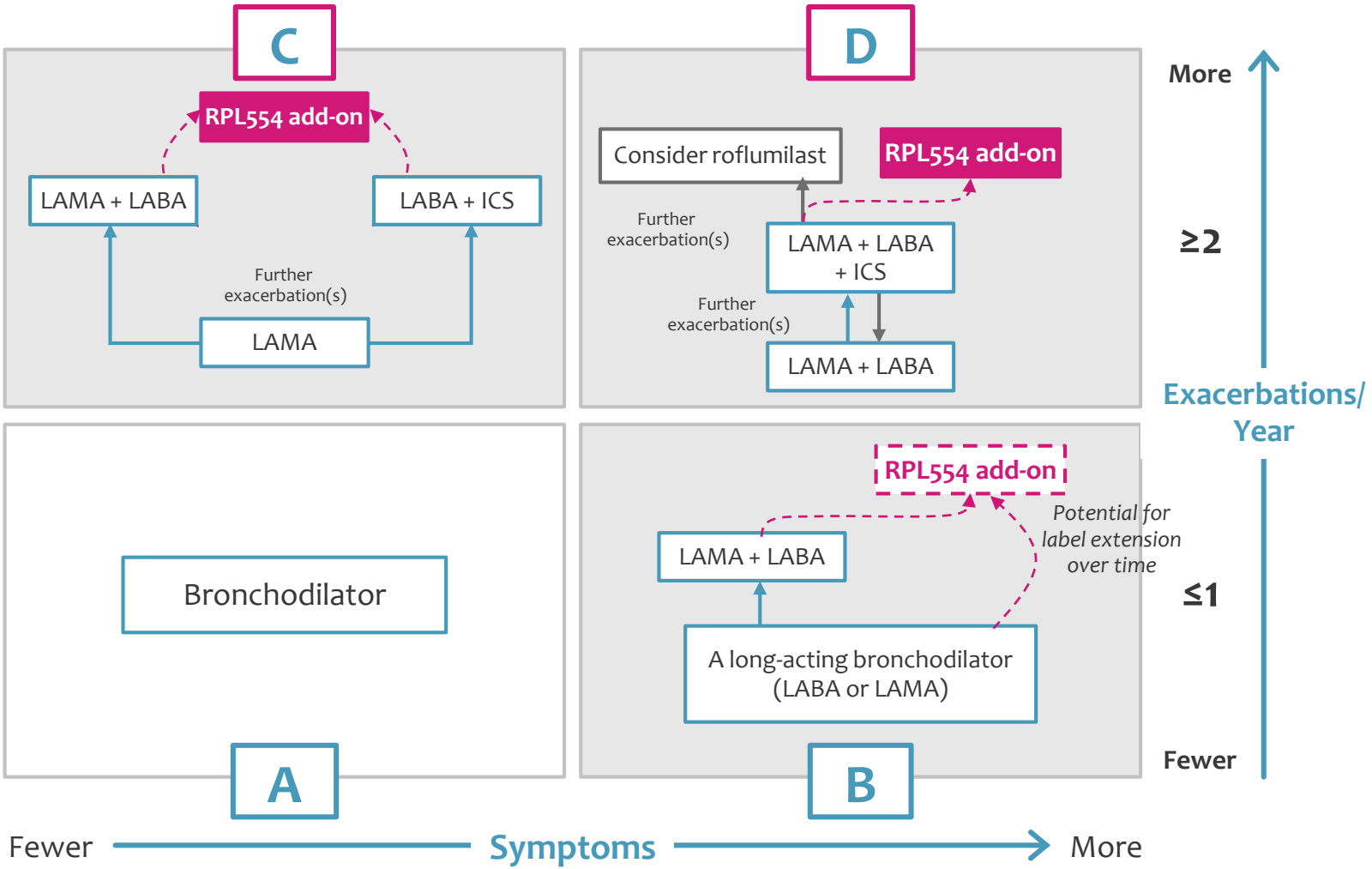
Based on GOLD COPD Guidelines 2017



RPL554: Significantly De-Risked Add-on Effect Reproduced in Independent Study

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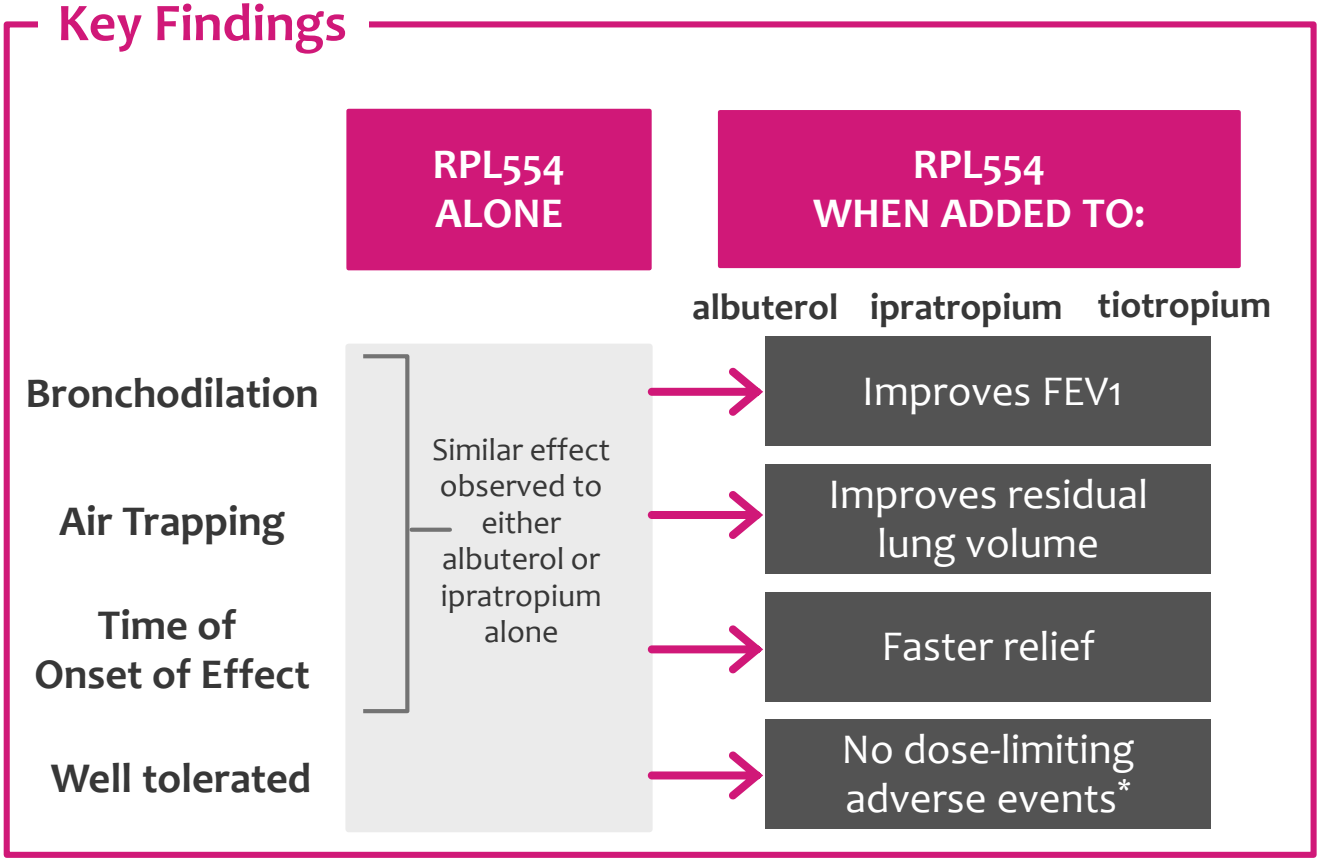
Key Findings



*in completed clinical trials
Source: RPL554-009-2015; RPL554-CO-202

Four Week Phase 2b Study: Moderate to Severe COPD Top-Line Data Released March 26, 2018

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Trial Description:

- Phase 2b randomized, double blind, placebo controlled, dose ranging study
- Assess nebulized RPL554 in patients with moderate to severe COPD
- Outpatient setting
- No background bronchodilator therapy (stable ICS regimen can be maintained)

Patient Population:

- 403 moderate-to-severe COPD patients, diagnosed >12 months previously
- Males and females, age 40-75

Location:

- Approximately 45 centers in Western & Eastern Europe

RPL554 Dosage:

- Five arms, twice daily dosing with RPL554 at 0.75 mg, 1.5 mg, 3 mg, 6 mg or placebo

Significant, Clinically Meaningful Bronchodilator Response Maintained over Four Weeks

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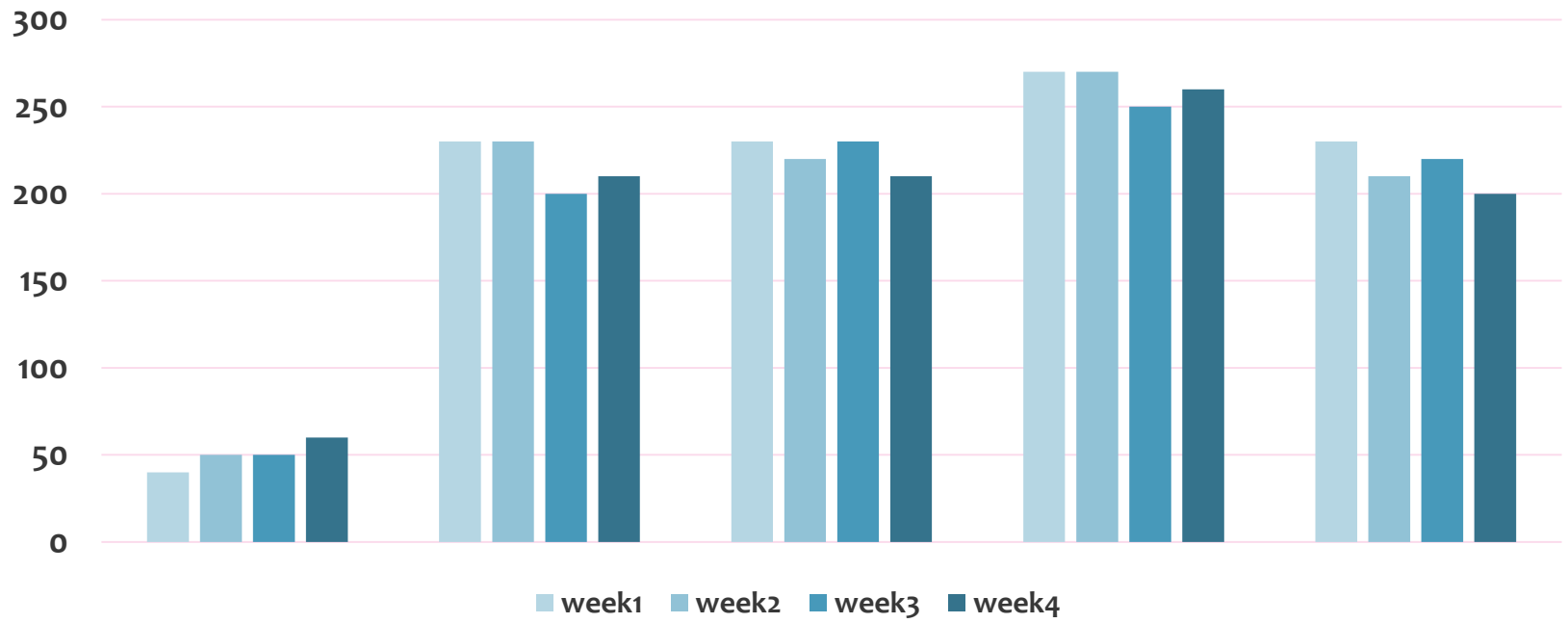
Peak Change from Day 1 in Baseline in FEV_1 (mL) on week 4 (p<0.001)

N=403



Progressive Improvement of COPD Symptoms with all Doses from Weeks 1 to 4

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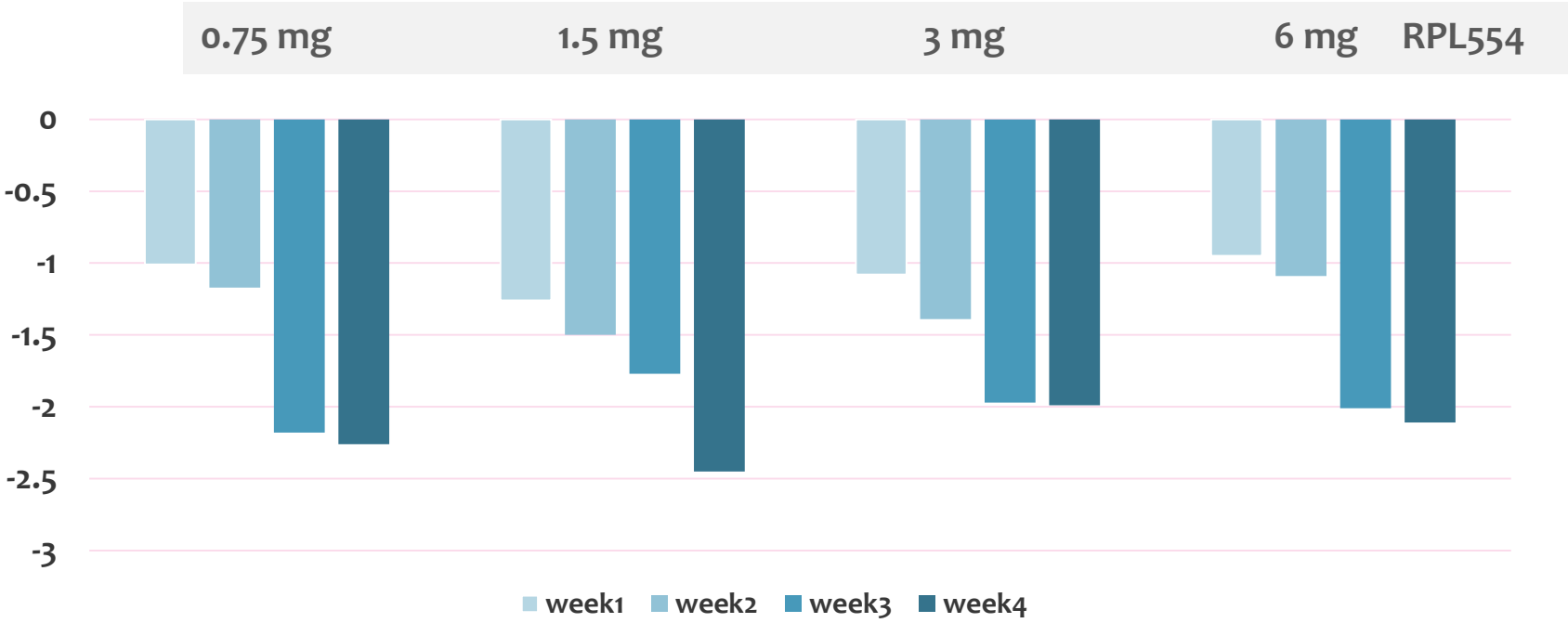
Total score (0-40) E-RS: COPD by week (placebo corrected, p<0.02)

N=403



Effective and Well Tolerated over Four Weeks Treating COPD Patients in Outpatient Setting

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Primary endpoint:

- Peak FEV1; all doses showed statistically significant difference vs. placebo **(p<0.001)**
- Peak bronchodilator effect observed at first dose, sustained over four weeks **(p<0.001)**

Secondary endpoints include:

- Statistically significant improvement in average FEV1 over 12 hours observed at all dose levels at the first dose; sustained over the four weeks of dosing
- Study did not demonstrate consistent improvements in trough FEV1
- Statistically significant, progressive improvements in daily COPD symptoms, using E-RS (**p<0.02** improvements in all sub domains of EXACT-PRO)
- Well tolerated at all doses; adverse event profile similar to placebo

RPL554: Potential to Improve Standard of Care Treatment for Millions of Patients

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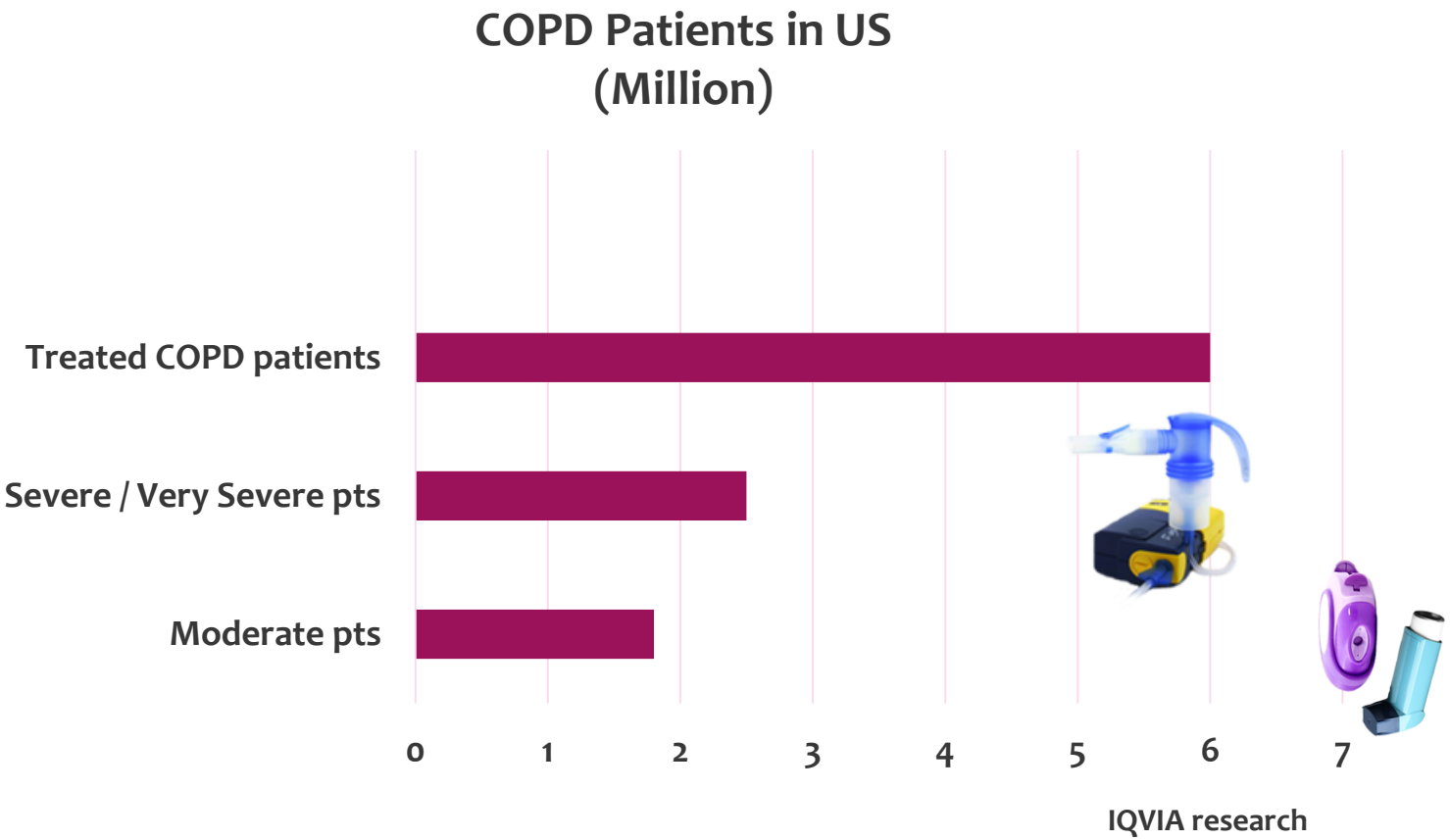

RPL554: Targeting Multiple Indications Allows Earlier Access to Large Markets

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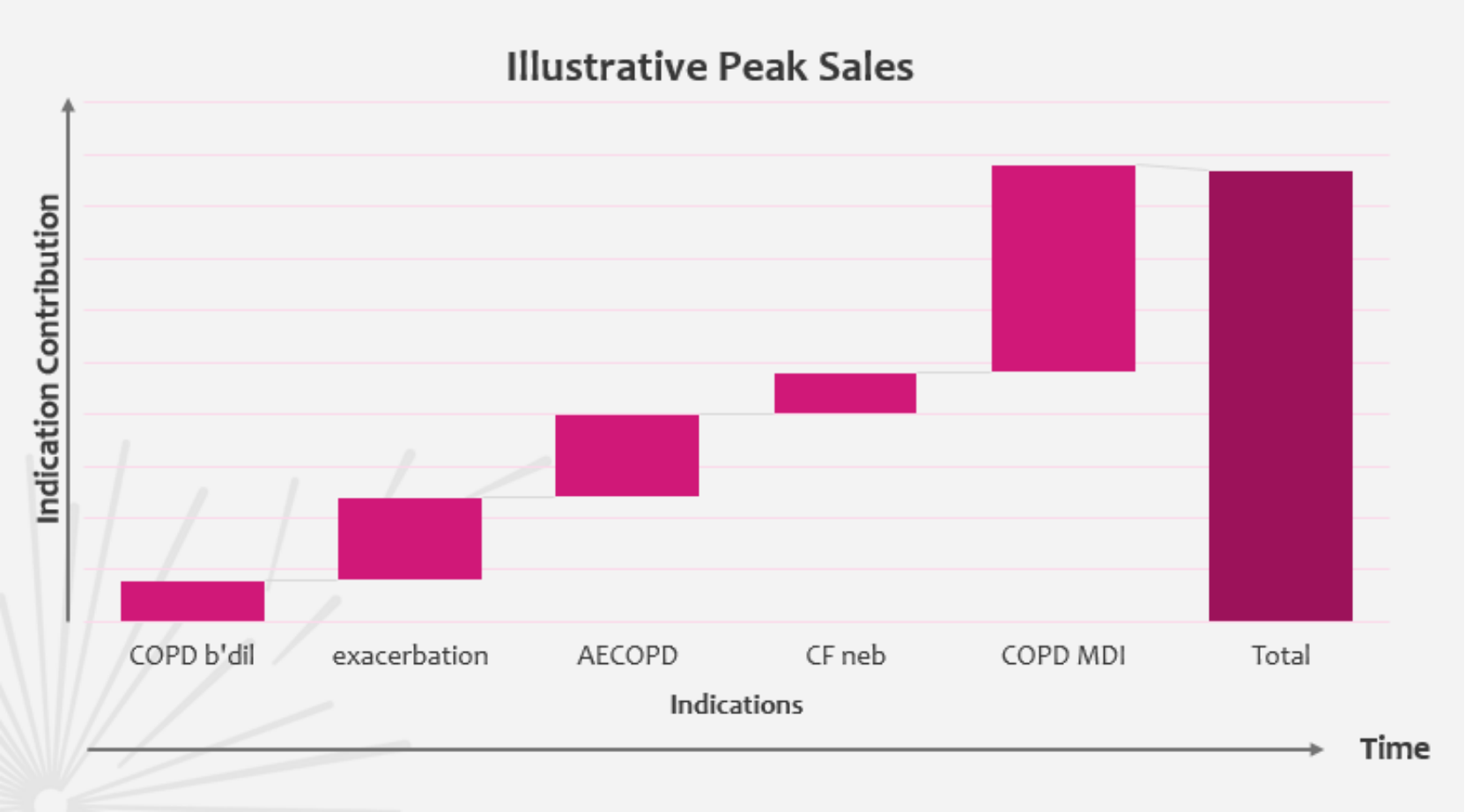

CF: A Devastating Orphan Disease

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- Most common fatal inherited disease in U.S.
- Mutations in gene that encodes CFTR protein
- Inability to clear thickened mucus, impaired lung function and persistent lung infection
- Frequent exacerbations and hospitalization
- No cure
- Median age of death – 37 years
- RPL554 has potential to provide treatment independent of CF mutation status
  - Reduce airway obstruction and inhibit inflammation

Phase 2a study, data reported 2 March 2018

RPL554 Demonstrates Favorable PK and PD Profile in CF Patients

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- Randomized, double blind, cross-over trial comparing 1.5 mg and 6.0 mg doses with RPL554 to placebo in 10 patients with CF
- Patients displayed a range of CF genotype mutations in the CFTR

- Primary endpoint:
  - PK profile was consistent with that observed in patients with COPD, although with lower peak serum levels of RPL554 in CF patients
  - Serum half-life was dose-dependent; 7.5 to 10.1 hours for 1.5 mg and 6 mg, respectively.
- Secondary endpoints:
  - Statistically significant increase in average FEV1 in treated patients for 1.5 mg (all $P<0.01$) and 6 mg (all $P<0.05$) at 4, 6 and 8 hour time points
  - RPL554 was well-tolerated in this patient group with an adverse event profile consistent with other studies with RPL554

Results support further development in CF

RPL554 IP Summary

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Patent Portfolio:

- Composition of Matter – granted US, EU, Japan, other; expires 2020
- Polymorphs – granted US, EU, Japan, other; expires 2031
- Formulations, combinations, salt forms, use, manufacturing: granted and pending in US, EU, and other territories; expiries 2031 – 2037
- Additional IP opportunities being explored

Verona Pharma has global rights

Financial Overview and Shareholder Register

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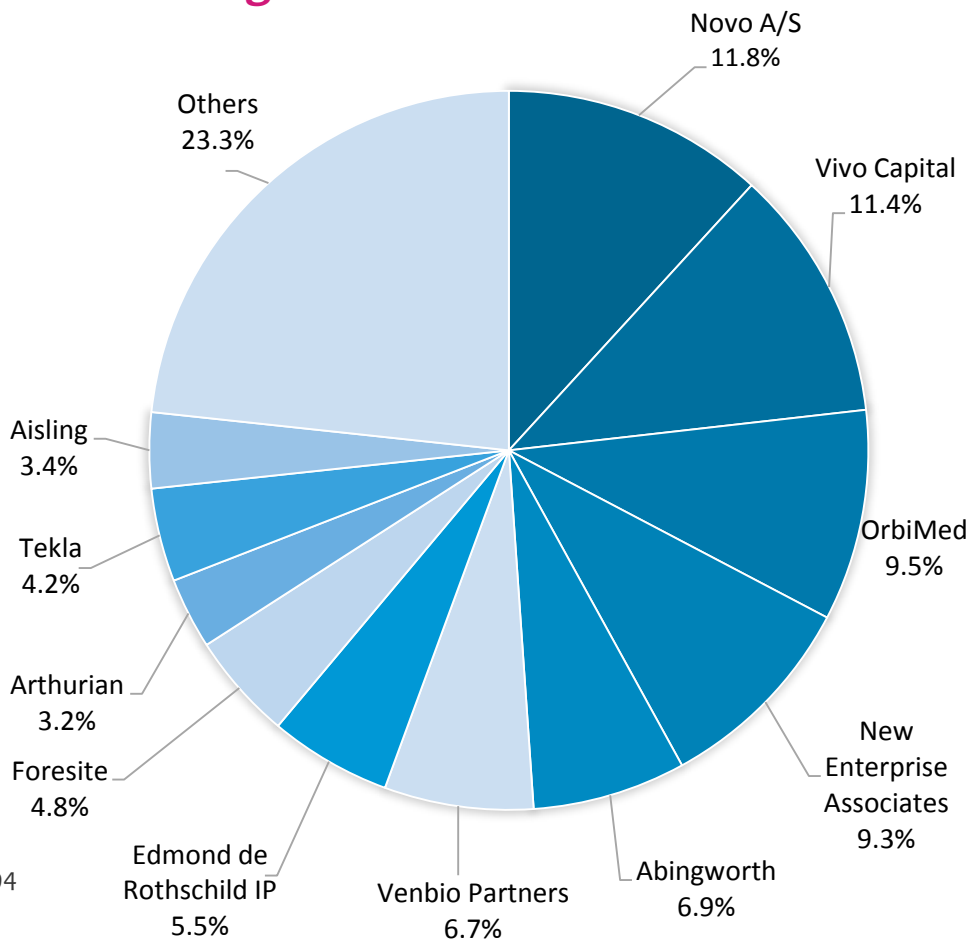
Financial Overview 31 Dec 2017

Cash and Cash Equivalents	$108.6M[1]
Operating Expenses	$40.3M[1]
Market cap	$300M[2]

Shareholdings



[1]Exchange rate used (US dollars per pound sterling): December 31, 2017 $1.35294
[2]Fully diluted 125m shares or 15.6m ADSs, ADS price $19.07 April 4, 2018

Next Steps – Focused Development in Attractive Market Segments

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Key activities leading up to Phase 3 in maintenance treatment in COPD with nebulized formulation of RPL554:

- Positioning study: RPL554 in addition to established combination treatments
- Market research and evaluation of optimal positioning
- "End of Phase 2" meeting to discuss regulatory path
- Pivotal clinical trials in COPD maintenance setting expected to start in 2019

Development of pMDI and DPI formulations of RPL554:

- Expected start of pre-clinical studies 2H 2018

Development as anti-inflammatory treatment in Cystic Fibrosis:

- Following positive Phase 2a results, KOL and regulatory discussion ahead of clinical proof-of-concept study