Verona Pharma

Breathtaking science

Developing respiratory drugs to improve health and quality of life

Cowen Health Care Conference
Boston, MA
March 2019

Nasdaq VRNA
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 of its product candidate, 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.

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First-in-class product candidate for respiratory disease
Effective and well tolerated in 13 Ph1 and 2 trials

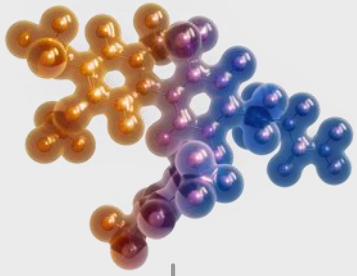
COPD

Chronic Obstructive Pulmonary Disease

In US: 2 million uncontrolled patients despite current treatment

Novel Drug Candidate

Ensifentrine (RPL554)



Inhaled PDE3 and PDE4 **Inhibitor**

Bronchodilator AND Anti-inflammatory Agent

… in a Single Compound

FDA EoP2 meeting planned 1Q20 - Ph3 program 18-24 months

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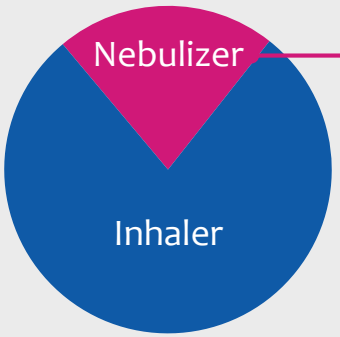
Ensifentrine - Substantial Commercial Opportunity in COPD

Add-on to Single Bronchodilator

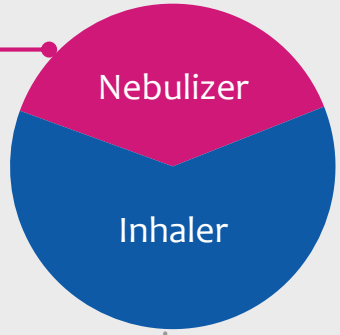
US est. $5-6B*



Attractive Medicare Part B Reimbursement

Add on to Double/Triple Therapy

US est. ~$2-4B*



In US: 2 million patients need additional therapy

	Nebulizer	DPI/MDI
Est. % of Patients	10-20%	80-90%
Est. Total Patients	280,000	1.72M
Avg. Annual WAC Price	$12,000	$4,800

(Potential add-on market sales)*

COPD: The Silent Epidemic

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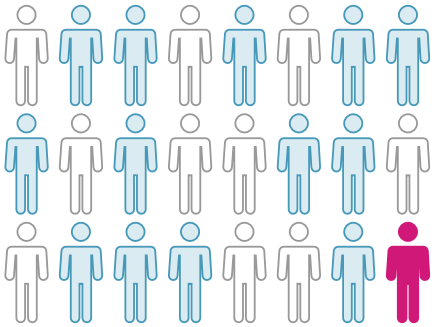
Living with It

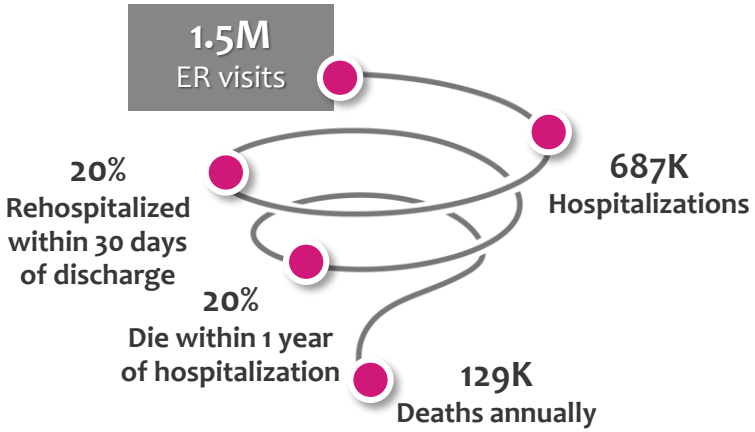
24M in US alone



16M
Diagnosed

2M
Severe/
very severe

Dying from It



In the Workplace

- **70%** of COPD sufferers work
- **2nd leading cause** of disability

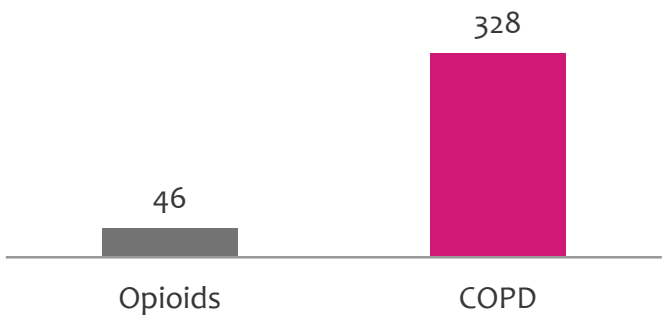
Cost

$50B/year

Indirect & Direct

3rd Largest Chronic Disease Killer

Deaths/Day



Sources: COPD Foundation; US only

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

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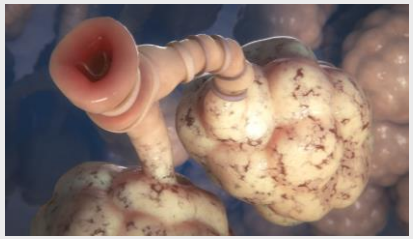
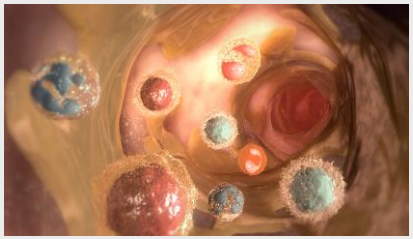
Ensifentrine: Dual PDE3 and PDE4 Enzyme Inhibitor

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

Improved lung function, symptom reduction and improved quality of life

4 Week Phase 2b: Rapidly Improved Lung Function and Progressive Symptom Relief as Single Bronchodilator

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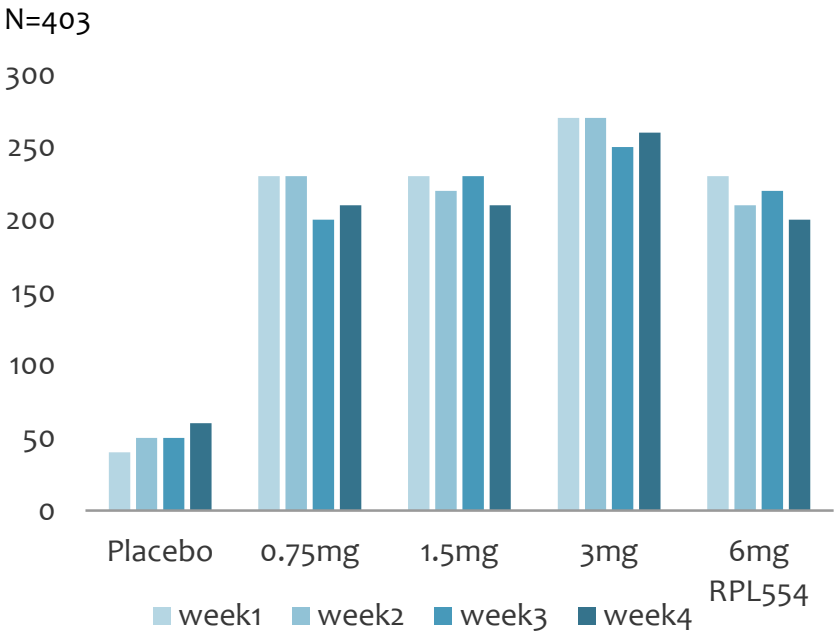
Lung Function

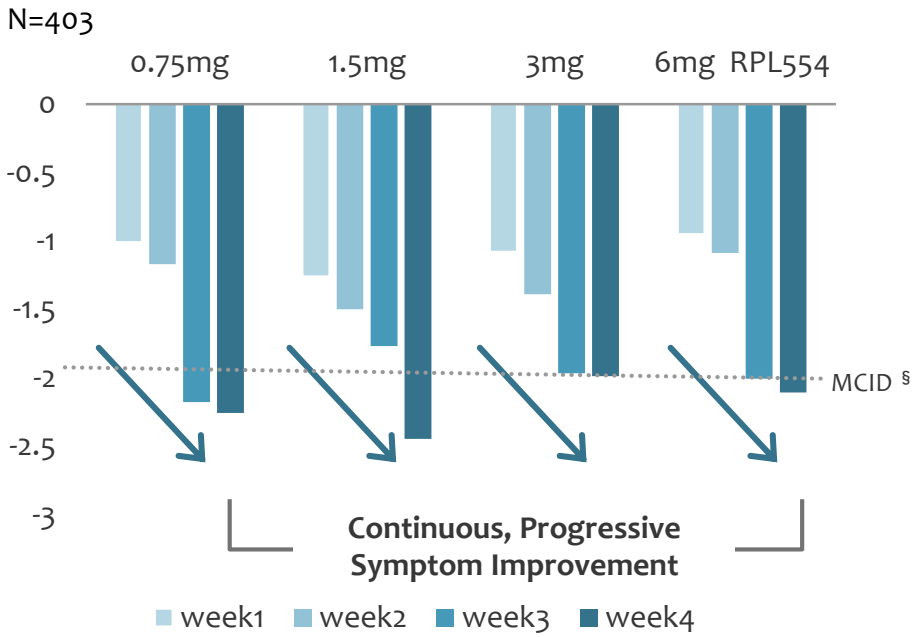
Peak Change FEV_1 (mL) (p<0.001)*



*Peak Change from Day 1 in Baseline in FEV_1 (mL) on Day 28, Week 4, Primary endpoint was met; ensifentrine only bronchodilator in these patients

Symptom Relief

Total Score E-RS: COPD by Week, p<0.02**



** Placebo corrected
§ Minimal clinically important difference

Bronchodilation and anti-inflammatory effect improved lung function and relieved symptoms - may potentially lead to reduction in COPD exacerbations

Phase 2: Improvement in Both FEV1 and Residual Volume on Day 3 When Inhaled on Top of Two Bronchodilators

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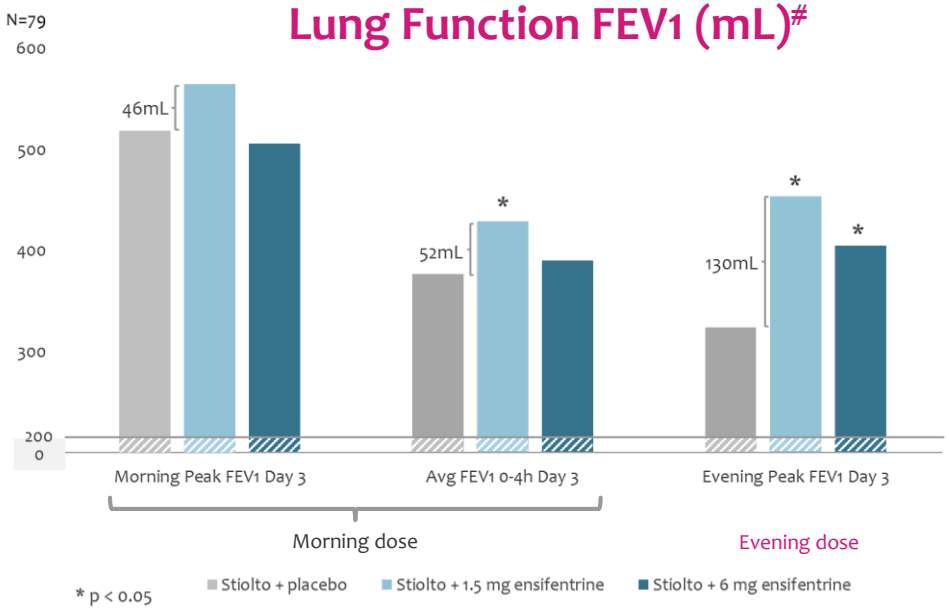
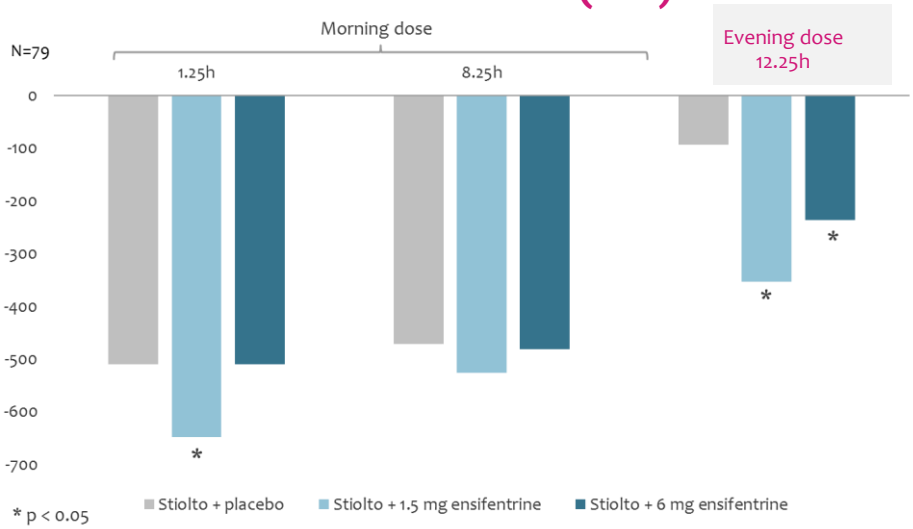
Lung Function FEV1 (mL)#



Residual Volume (mL)



FEV1 (mL) Change from Baseline on Day 3
Day 3 Peak FEV1, primary endpoint was not statistically significant

28% of patients used triple therapy (LAMA, LABA, ICS)

Further improved bronchodilation and reduction in residual volume (air trapping) - may lead to symptom improvement in patients already on dual and triple therapy

Phase 2, Day 3: 24-hour Spirometry (FEV1) Profile when Added-on to Dual/Triple Therapy

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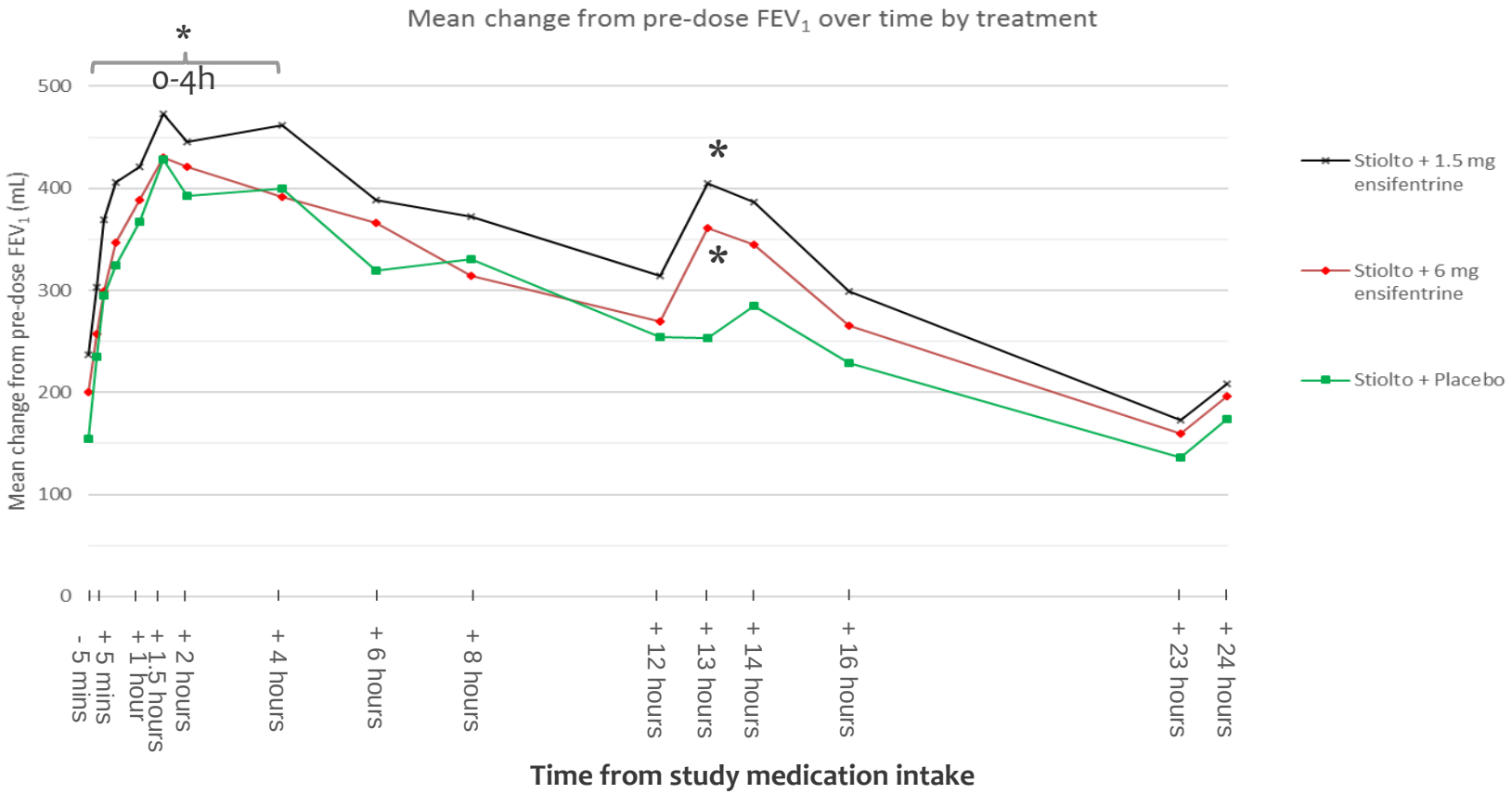
N=79



~50 to 130 mL improvement in FEV1 with 1.5 mg dose over Stiolto© over 24h

Data points for T = 15 minutes and T = 30 minutes plotted on curve but data labels not shown on x-axis

Nebulized Ensifentrine: Systematic Phase 2 Program Informing Phase 3 Design

Focus on well-established regulatory endpoints

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Establish activity + profile in Ph2 → **A. Potential Pivotal studies: Design and endpoints based on Ph2 to increase chance of positive outcome**

Standalone
(Dose Ranging)
400 pts
Bronchodilator + anti-inflammatory
Completed 2018

Add-on to Single Therapy
(2 Ind. P2 Studies)
Bronchodilator
Completed 2017

Add-on to Single Therapy
(Dose Ranging)
Bronchodilator + anti-inflammatory*

Add-on to Double/Triple Therapy
Bronchodilator
Completed Jan 2019

1 x study, 6 mo duration
1 x study 6 mo duration w. 6 mo safety extension
-
None or single bronchodilator background
-
Lung function (FEV1), symptom improvement, explore exacerbations in pooled data

B. Planned positioning study for physicians and payors

Add-on treatment to single and dual bronchodilators in COPD

End of Phase 2 Meeting with FDA, target 1Q 2020

**Expected to begin in 2Q 2019, results expected in 4Q 2019*

Opportunity for Ensifentrine: 40% of US COPD Patients Symptomatic Despite Current Treatment

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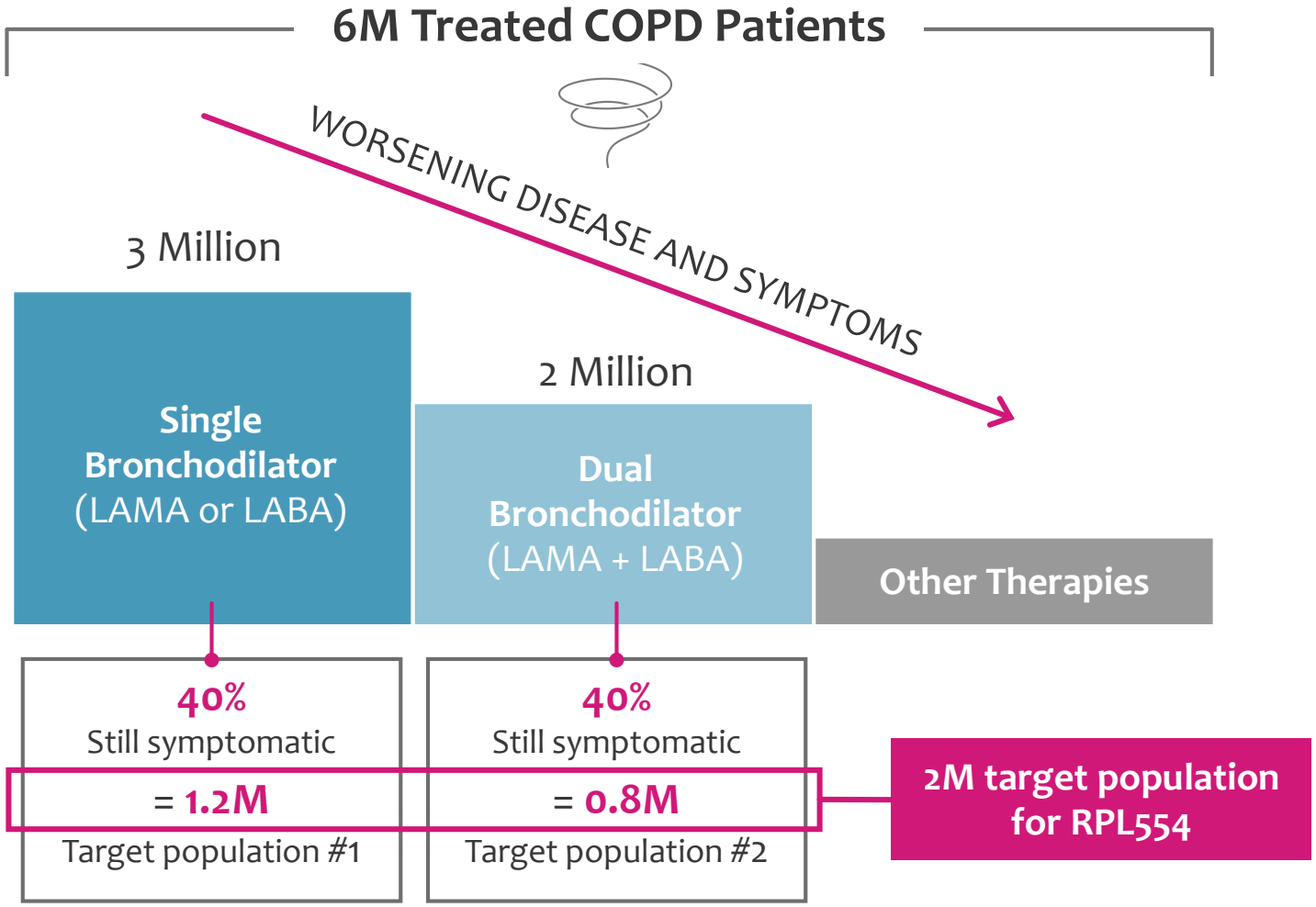

1. Mahler et al., Eur Respir J. 2014. 2. Bateman et al., Eur Respir J. 2013 Dec
3. Mullerova H et al., American Journal of Respiratory and Critical Care Medicine . 4. Vestbo J, et al., The Lancet, Vol 389, p. 1919-1929; May 13, 2017

Substantial, Addressable US Commercial Opportunity for Nebulized Ensifentrine

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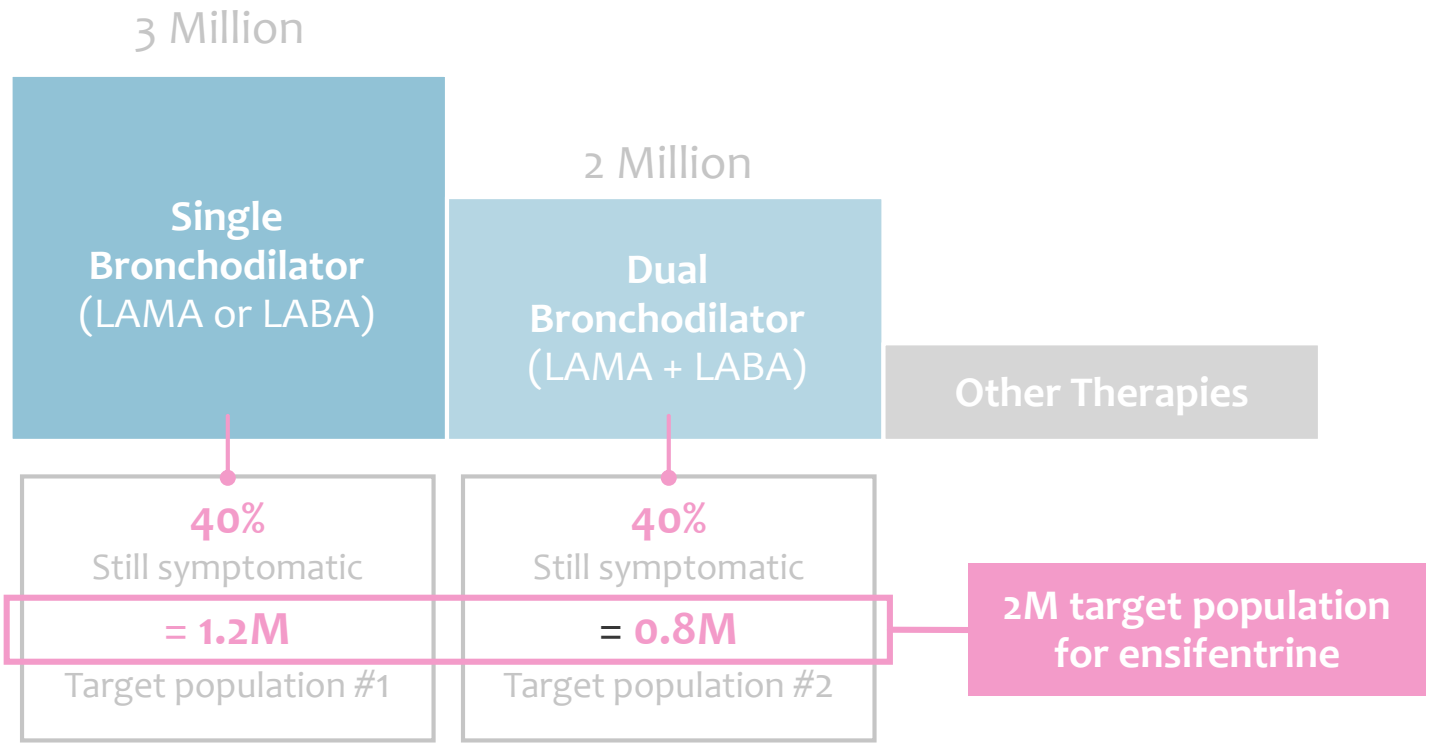

	Nebulizer use	Nebulizer use
Est. % of Patients	10%	20%
Est. Total Patients	120,000	160,000
Avg. Annual WAC Price	$12,000	$12,000

280,000 target for nebulized ensifentrine

Attractive Medicare Part B Reimbursement

Positive Interim Phase 2 Data with Ensifentrine Dry Powder Inhaler Formulation in COPD

Data from first of two-part clinical trial

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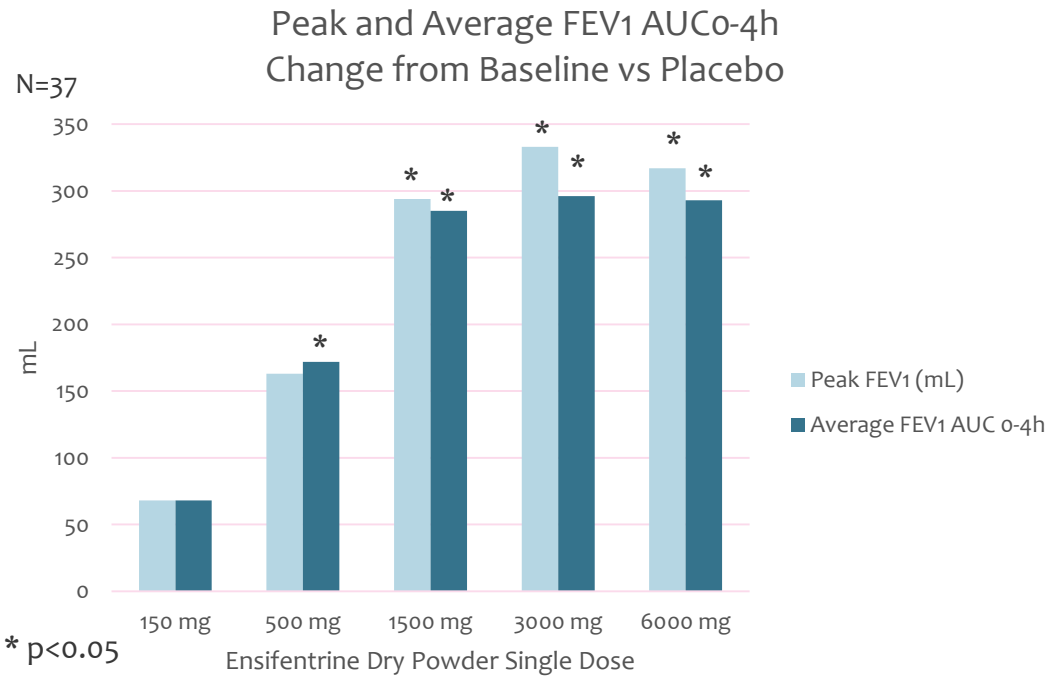
Dose-dependent, significant and clinically meaningful bronchodilator response



Inhaler usage for maintenance therapy (US estimates)

- ~80-90% mild to very severe COPD patients ~ 5.5 million
- DPI formulation could dramatically expand clinical utility and commercial potential

DPI Ensifentrine: Potential to Substantially Expand US Commercial Opportunity

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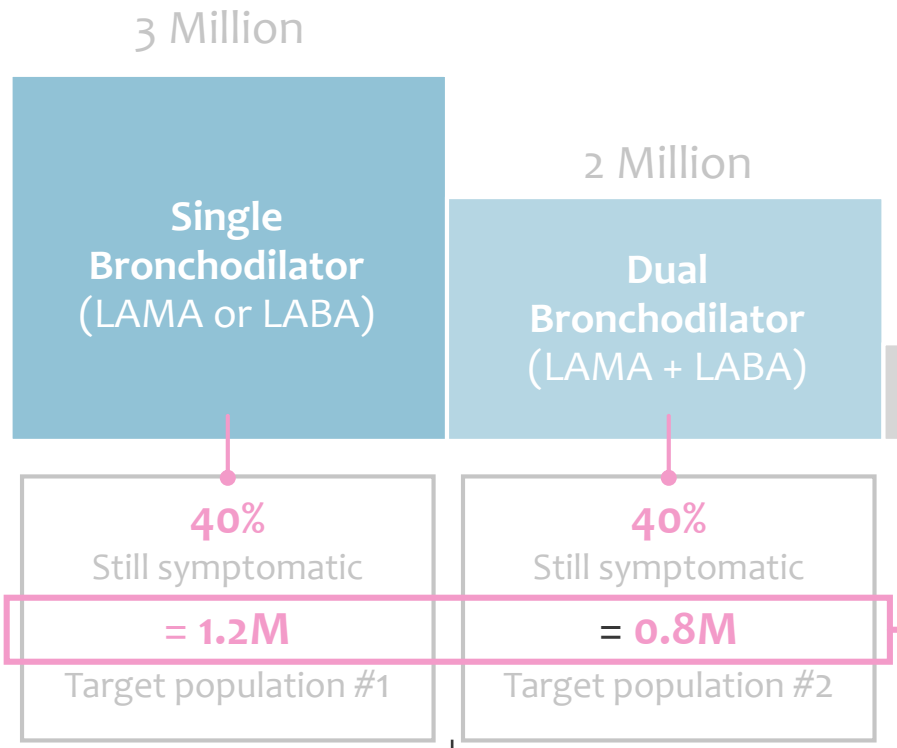

	Nebulizer	Inhaler use	Nebulizer	Inhaler use
Est. % of Patients	10%	90%	20%	80%
Est. Total Patients	120,000	1.08M	160,000	0.64M
Avg. Annual WAC Price	$12,000	$4,800	$12,000	$4,800

280,000 target for nebulized ensifentrine

1.72Million target for DPI/MDI ensifentrine

Ensifentrine Lifecycle: Expanding The Pipeline Over Time

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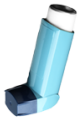
	Expanding Indications	Expanding Delivery	Supporting Trials: Pre-Clinical	Phase 1	Phase 2	Phase 3
Expanding Pipeline	COPD Maintenance (Home)	Nebulizer				2020 – 2022
	COPD Acute (Hospital)	Nebulizer				
	Cystic Fibrosis	Nebulizer				
	Severe Asthma	Nebulizer				
	COPD Maintenance (Home)	DPI				
	COPD Maintenance (Home)	MDI				



Cystic Fibrosis: A Devastating Orphan Disease

Ensifentrine: Favorable PK and PD Profile in CF Patients

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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
  - Designed to reduce airway obstruction and inhibit inflammation

Pre-clinical Studies Completed and Phase 2a Study Data Reported in March 2018

Ensifentrine: Potential in Asthma

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- Potential to be an effective bronchodilator in asthma patients
- Clear dose-response relationship and well tolerated in asthmatics in Phase 2a clinical study
- Little effect on heart rate and plasma potassium levels compared to nebulized albuterol

Potential Positioning

- Severe asthma, before start of treatment with biologics
- Steroid-sparing

Potential Device

DPI or MDI inhaler device may be more convenient for asthma patients

Ensifentrine: Long Patent Runway (until mid-2030s)

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Robust Patent Portfolio

- Composition of Matter – granted US, EU, Japan, other; expires 2020
- Polymorph – granted US, EU, Japan, other; expires 2031
- Formulations – granted US, EU, other; expires 2035
- Manufacturing, use, salt forms, combinations: granted and pending in US, EU, and other territories; expiries 2031 – 2037
- Additional IP opportunities being explored

New Chemical Entity

- US: Market exclusivity up to 5 years post NDA approval
- EU: Market & Data exclusivity up to 10 years post Marketing Authorization

Verona Pharma has Global Rights

Well Financed with Major Healthcare Investors

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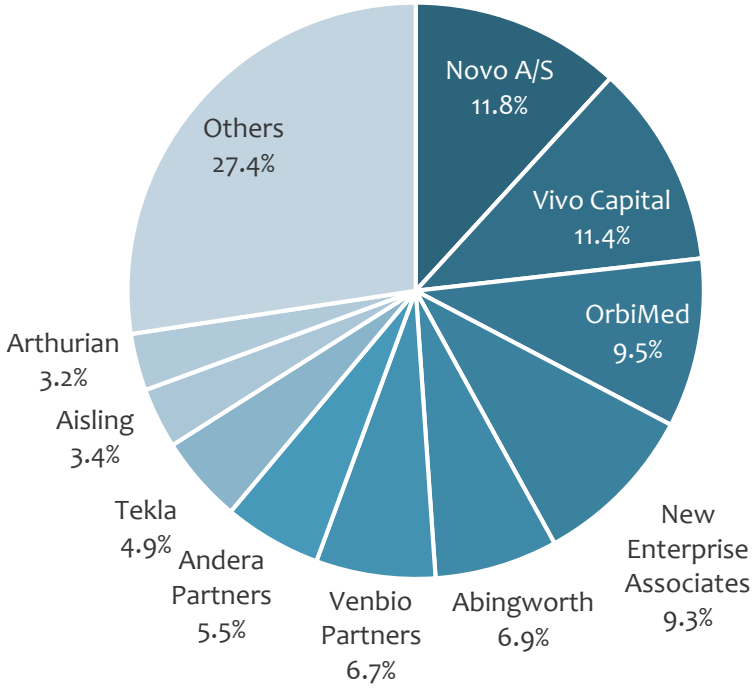
Financial Overview December 31, 2018

Cash and Cash Equivalents	$82.6M[1]
Operating Expenses FY18	$32.7M[1]
Market cap	$73.7M[2]

Shareholdings[3]



[1]Exchange rate used (US dollars per pound sterling): December 31, 2018: $1.2763
[2]Current issued 105.3M shares or 13.2m ADSs, share price $5.60 on February 28, 2019
[3]As disclosed to the Company in accordance with AIM Rule 26, or through s80 notices and 13F and 13G filings

2019: Potential for Multiple Value Inflection Points as Ensifentrine Advances Towards Phase 3

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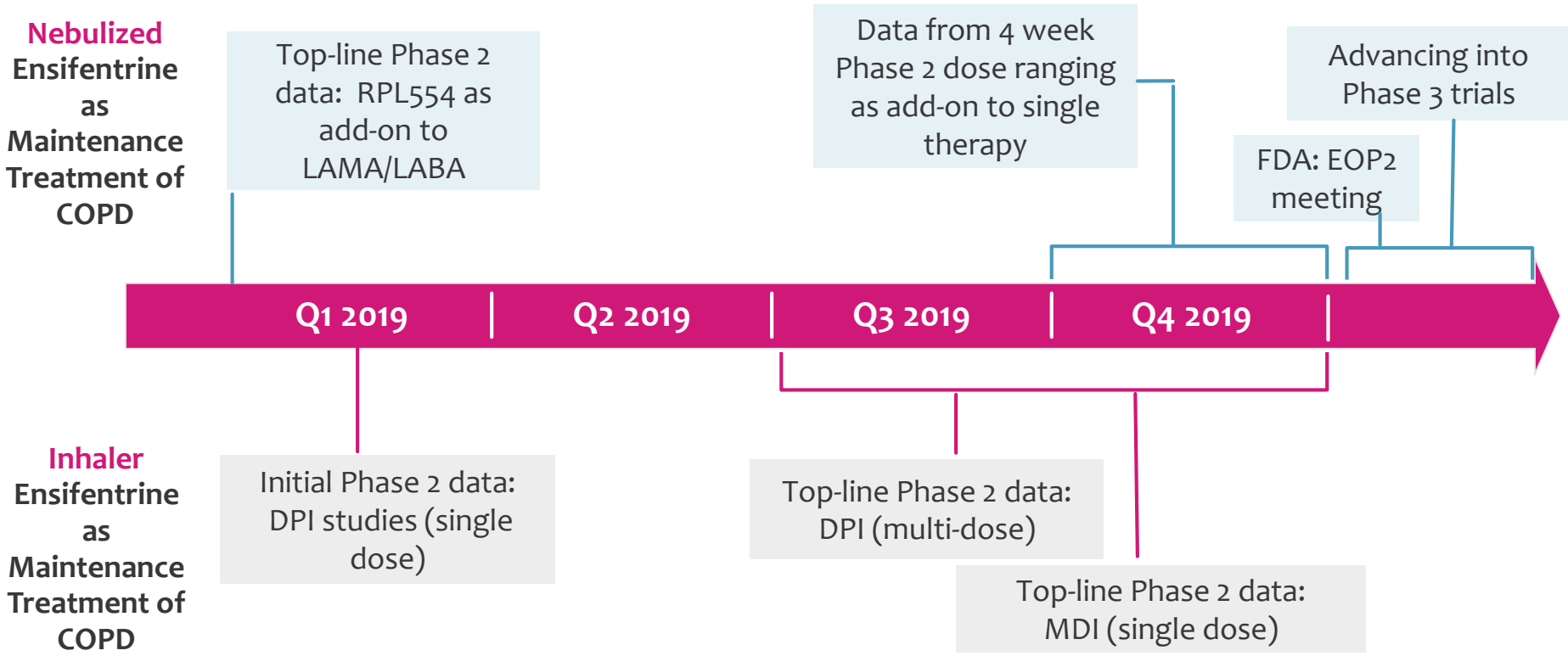

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Thank you