Verona Pharma

Breathtaking science

Developing respiratory drugs for better quality of life

HC Wainwright Global Life Sciences Conference
London, UK
April 2019

Nasdaq: VRNA
AIM: VRP
www.veronapharma.com

Forward-looking statements

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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 the Company's annual report on Form 20-F filed with the Securities and Exchange Commission (the "SEC") on March 19, 2019, 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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Ensifentrine is a first-in-class candidate for respiratory disease

Plan to enter Phase 3 in 2020

Inhaled PDE3 and PDE4 inhibitor

Bronchodilator and anti-inflammatory agent
in a single compound

Potential US $1 billion COPD nebulizer market opportunity

COPD: The silent epidemic

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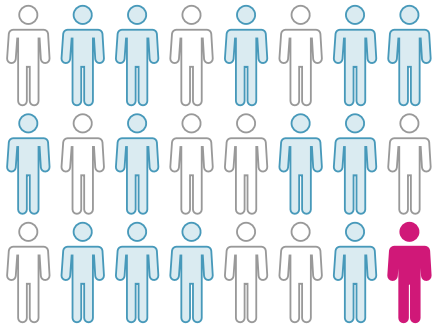
24 million patients in US alone



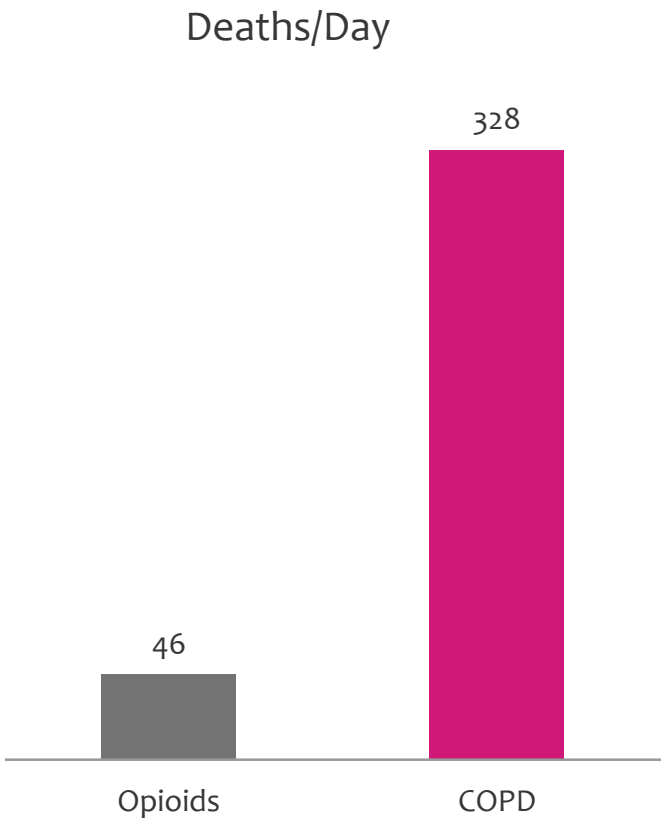
16M
Diagnosed

2M
Severe/
very severe

Cost

$50 billion/year
Indirect & direct

3rd leading cause of death by disease in US



Sources: COPD Foundation; US only

COPD: a significant unmet need

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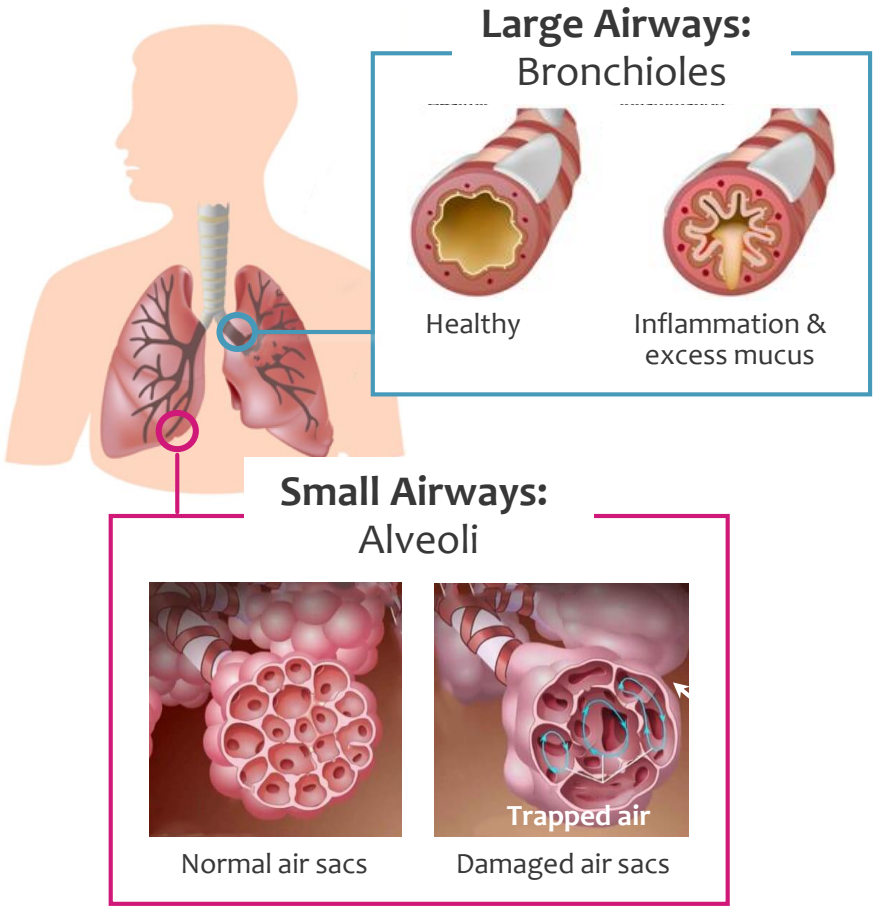

Consequences and symptoms

- Debilitating breathlessness
- Coughing, sputum
- Poor lung function
- Fatigue / struggle with daily tasks
- Exacerbations / flare-ups

Severe COPD: Out of options

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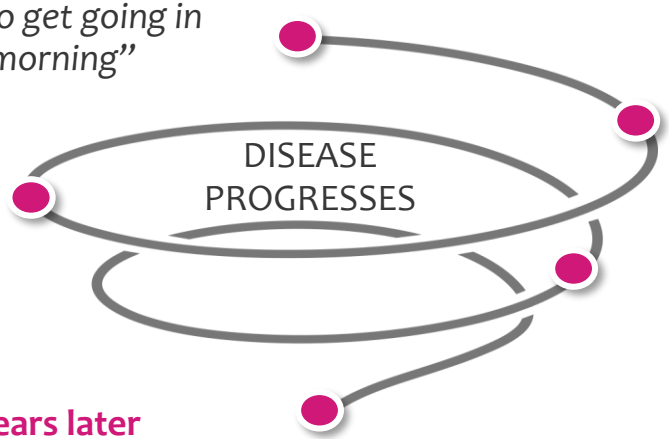
John Linnell

Visits Doctor
"It takes me up to 2 hours to get going in the morning"



Years later
Still Symptomatic

"I live and struggle with COPD every single day, and I too, ***just want to breathe"***

"My doctor says there's nothing more he can do: ***he's reached the end of currently available treatments"***

Ensifentrine has the potential to treat these patients

Ensifentrine: Initial US $1 billion nebulizer market opportunity

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800,000 symptomatic US patients on dual/triple therapy need additional treatment

	20% Nebulizer use
Est. Current Total Patients	160,000
Avg. Annual WAC Price comparable to Brovana, Lonhala and Perforomist	$12,000

Attractive Medicare Part B Reimbursement

~7,000 physicians prescribe 75% of nebulized treatments – reached with targeted specialist salesforce

Source: DRG research Q4:2018

4 Week Phase 2b: Rapidly improved lung function and progressive symptom relief as single bronchodilator

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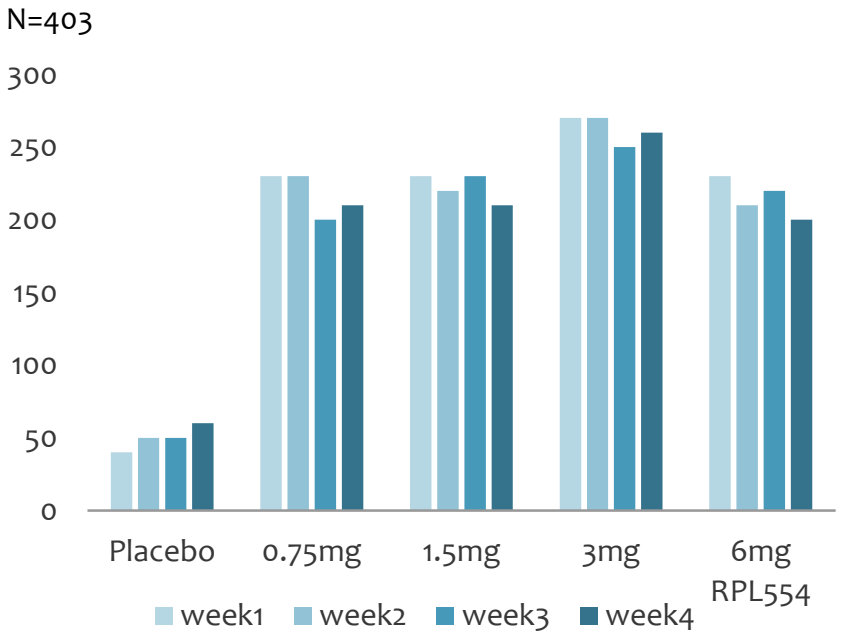
Lung function

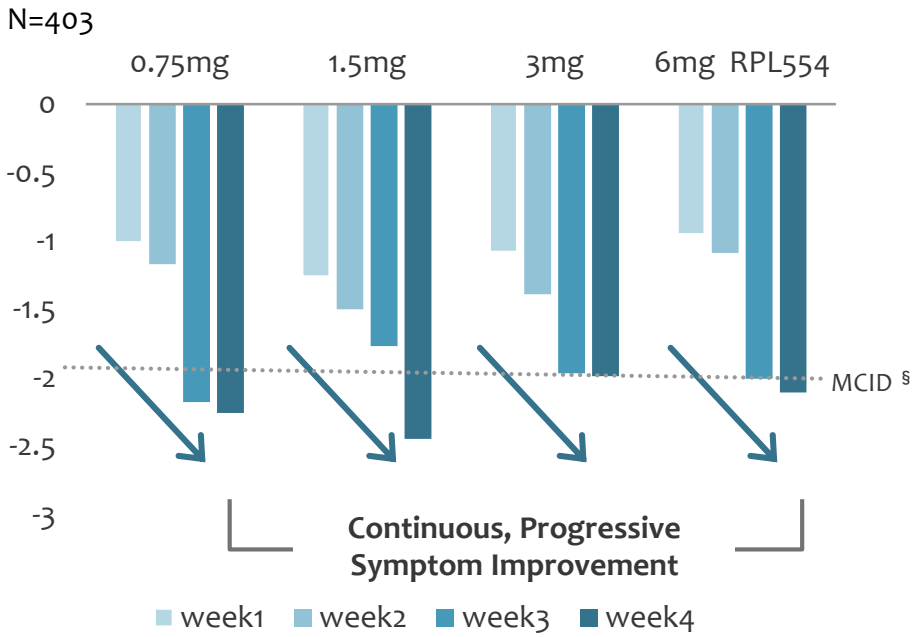
Peak Change FEV_1 (mL) (p<0.001)*



*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

Ensifentrine was well tolerated in this and other clinical trials involving > 800 subjects

Bronchodilator + anti-inflammatory = Potential to reduce symptoms and exacerbations*

* Symptoms are a precursor to exacerbations; *Müllerová H, et al. PLoS One 2014;9:e85540*

Phase 2: Improvement in both FEV1 and residual volume when inhaled on top of two bronchodilators

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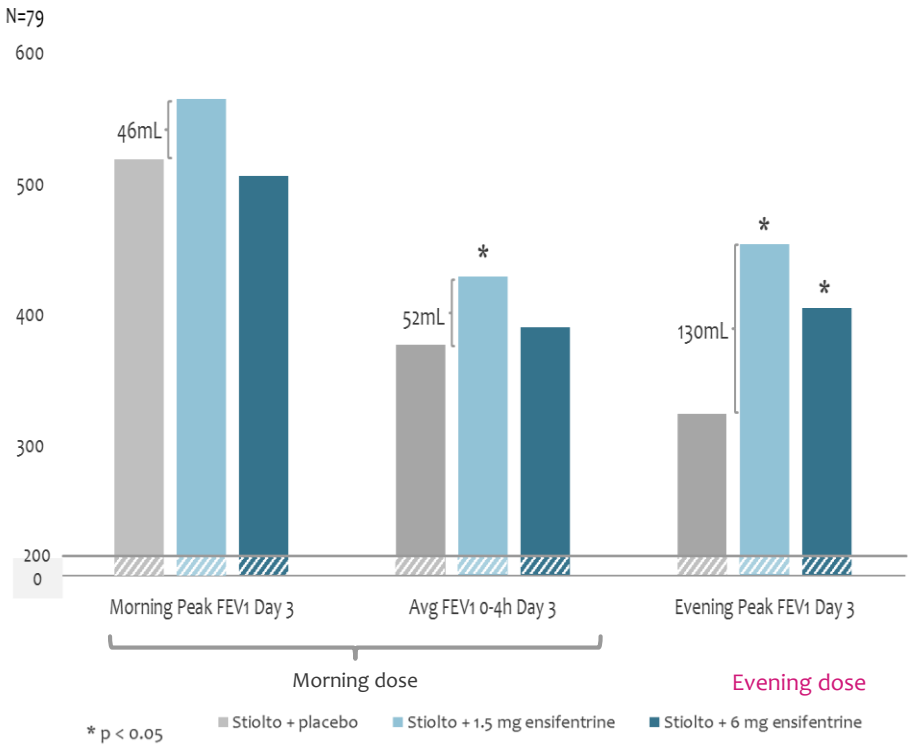
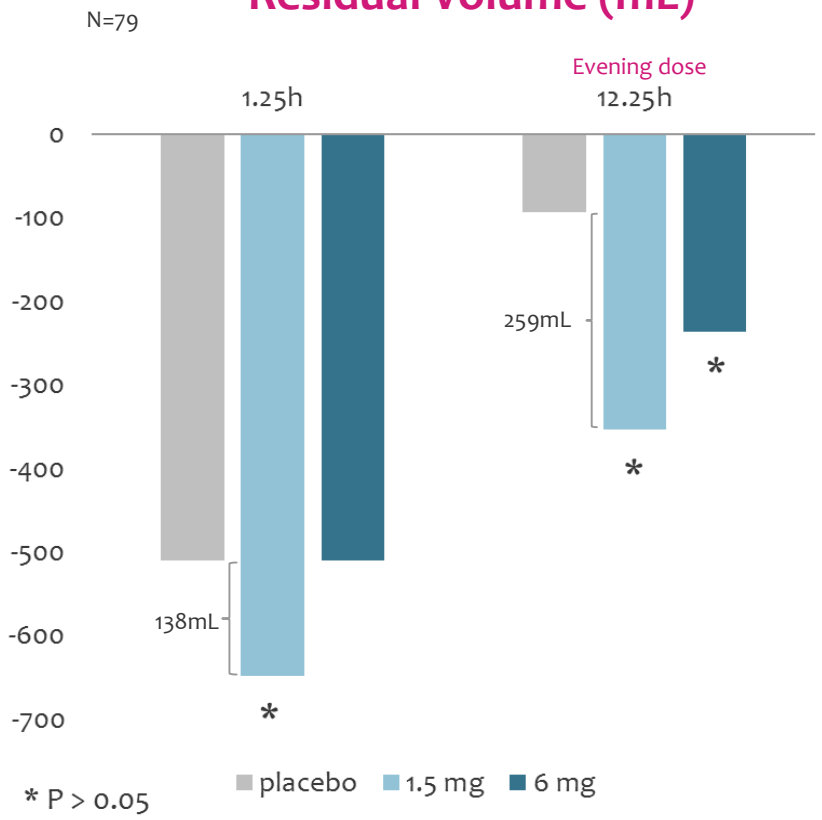
Lung function FEV1 (mL)#



Residual Volume (mL)



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

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

Potential to improve symptoms in patients with no further maintenance options

Phase 2, Day 3: Further lung function improvement on top of dual/triple therapy in COPD patients

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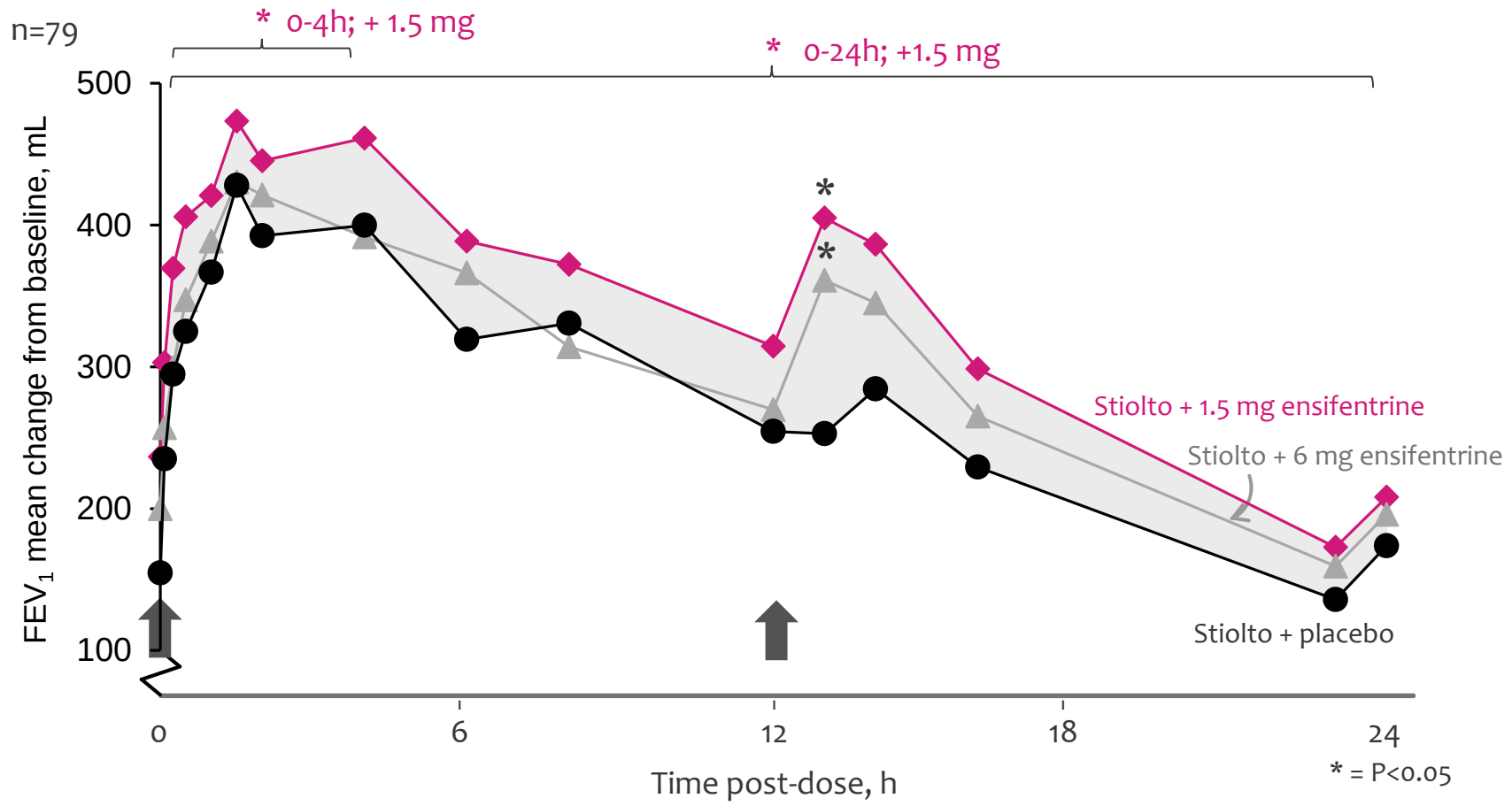

Significant ~50 to 130 mL additional improvement in FEV1 through 24 hours when 1.5 mg dose is added on to dual/triple therapy (Stiolto)

Nebulized Ensifentrine: Advancing towards Phase 3

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Establish activity + profile in Ph2 → **A. Potential Pivotal studies: Design and endpoints based on Ph2**

Monotherapy
(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
Plan to complete Jan 2019

2 trials of 6 month duration,
one with 6 month 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*

Ensifentrine Dry Powder Inhaler: Positive interim Phase 2 data in COPD

Data from first of two-part trial

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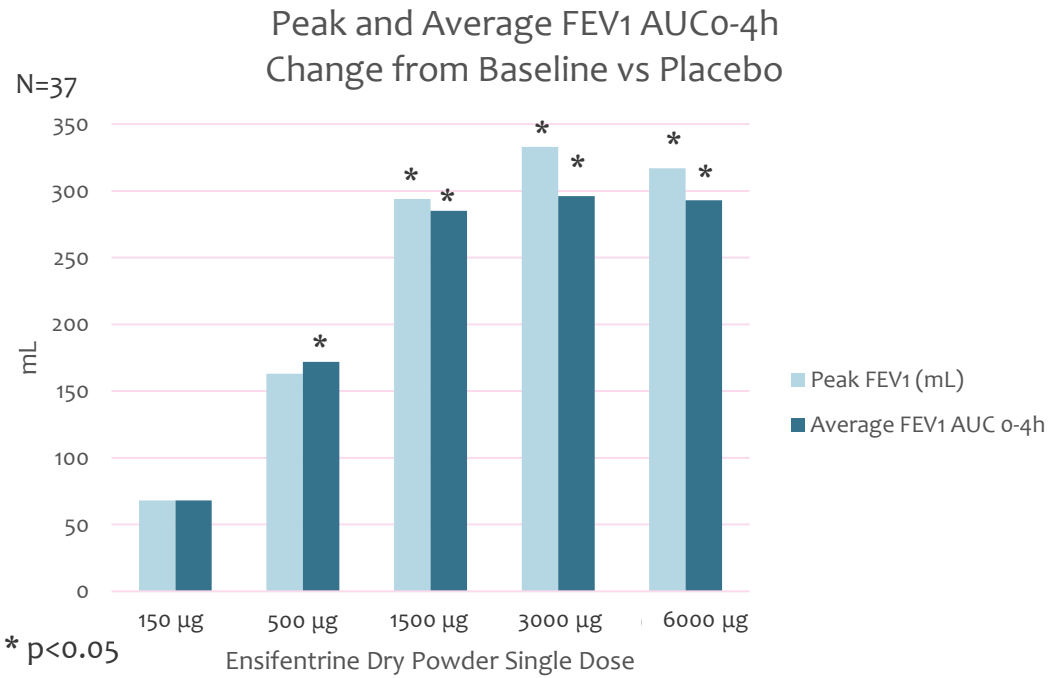
Dose-dependent, significant and clinically meaningful bronchodilator response



Inhaler usage for maintenance therapy (estimate: >5 million COPD patients in US)

MDI/ DPI could dramatically expand commercial potential – partnering opportunity

Ensifentrine: Potential in cystic fibrosis

Favorable PK and PD Profile in CF Patients

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- Most common fatal inherited disease in US
- No cure and median age of death – 37 years
- Mutations in gene that encodes CFTR protein
- Inability to clear thickened mucus, impaired lung function and persistent infection
- Frequent exacerbations and hospitalization

Potential to provide treatment independent of CF mutation status

Positive Phase 2a data

Opportunity as a novel anti-inflammatory treatment

Ensifentrine: Opportunity in severe asthma

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

Potential Positioning

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

Potential Device

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

Ensifentrine: Rich patent estate (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
- Exploring additional IP opportunities

New chemical entity

- US: Market exclusivity up to 5 years post NDA approval
- EU: Market & data exclusivity up to 10 years post approval

Verona Pharma has Global Rights

Well financed with major healthcare investors

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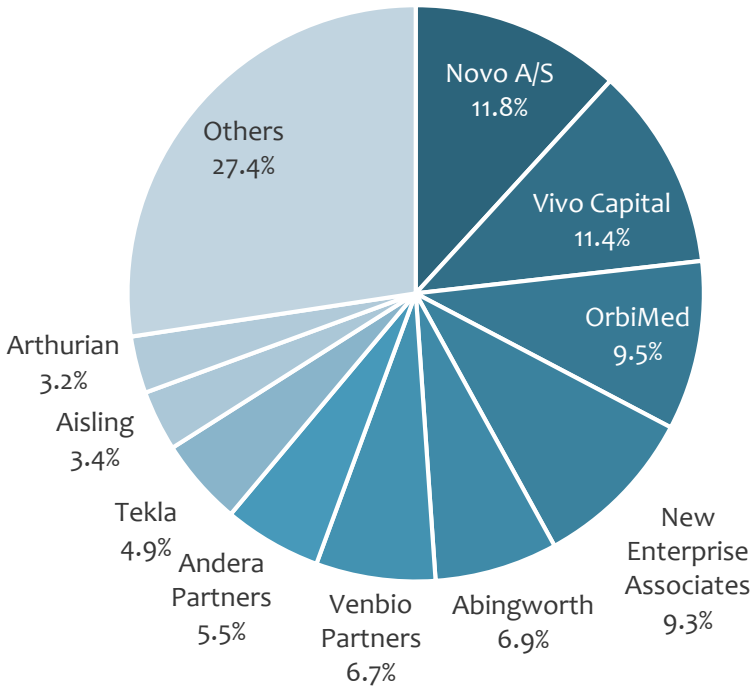
Financial overview December 31, 2018

Cash and cash equivalents	$82.6M[1] (£0.61/share or $6.28/ADS)
Operating expenses FY18	$32.7M[1]
Market cap	$86.0M[2]

Shareholdings[3]



[1]Exchange rate used (US dollars per pound sterling): December 31, 2018: $1.2763
Cash and cash equivalents comprises cash + cash deposits > 3 months maturity
Cash and equivalents at Dec 31, 2018 amounted to £64.7M ($82.6M)
[2]Current issued 105.3M shares or 13.2m ADSs, share price $6.53 on April 3, 2019
[3]As disclosed to the Company in accordance with AIM Rule 26, or through s80 notices and 13F and 13G filings

Multiple upcoming milestones as ensifentrine advances towards Phase 3 in 2020

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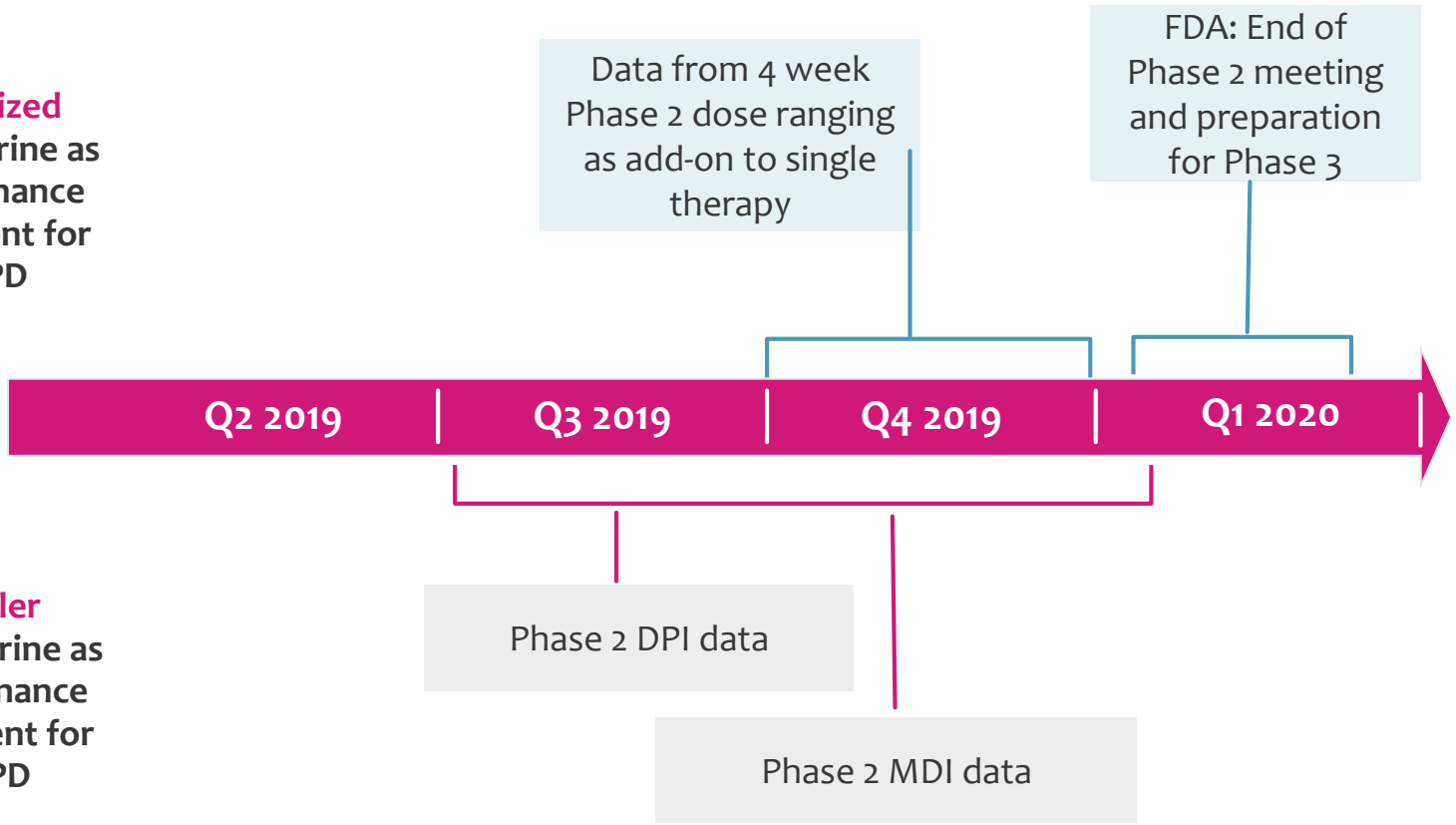
Nebulized
Ensifentrine as maintenance treatment for COPD



Inhaler
Ensifentrine as maintenance treatment for COPD

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Thank you