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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

6 August 2021

INCREASED RECOMMENDED CASH OFFER

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

Today the boards of Bidco and Vectura Group plc (“Vectura”) are pleased to announce that they have reached agreement on the terms of an increased recommended cash offer under which Bidco will acquire all of the issued and to be issued ordinary share capital of Vectura at a price of 155 pence per share (the “**Increased Offer**”).

Summary

- Under the terms of the Increased Offer, Vectura Shareholders will be entitled to receive:

155 pence in cash for each Vectura Share

- The Increased Offer values the entire issued and to be issued ordinary share capital of Vectura at approximately £958 million and represents a premium of:
 - 60 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 Offer Period); and
 - 5 pence per share to the price of 150 pence per Vectura Share announced by PMI Global Services Inc. on 9 July 2021 (the “**PMI Offer**”).
- Bidco has received irrevocable undertakings in relation to voting in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting from AXA Investment Managers UK Limited, TIG Advisors, LLC and Berry Street Capital Management LLP in respect of a total of 67,133,559 Vectura Shares representing, in aggregate, approximately 11.2 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021.
- All irrevocable undertakings given by Vectura Directors and one former Vectura director to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting remain in force over a total of 587,662 Vectura Shares representing approximately 0.1 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021.
- Further details of these irrevocable undertakings (including the circumstances in which they lapse) are set out in Appendix II.

- Bidco already has all the approvals it has been seeking from regulators and therefore the only approvals now actively required by Bidco prior to completion are Vectura shareholder approvals and sanction by the Court.
- Bidco and Vectura, with the consent of the Panel, have agreed:
 - to extend the dates by when the Conditions relating to holding the Court Meeting and the Vectura General Meeting, set out in Conditions 2(a) and 2(b) of Part A of Part 3 (*Conditions to and Further Terms of the Acquisition*) of the Scheme Document, must be satisfied to 3 September 2021; and
 - to extend the date by when the Condition relating to the timing of the Court Hearing, set out in Condition 2(c) of Part A of Part 3 (*Conditions to and Further Terms of the Acquisition*) of the Scheme Document, must be satisfied to 30 September 2021.
- Bidco is fully supportive of Vectura's existing strategy to build an independent leading CDMO business with genuinely global reach, credibility and involvement in the market for inhaled medicines and devices.
- Ownership by and support from Carlyle funds will allow Vectura to (i) further develop its extensive differentiated technology and expertise and be able to provide its solutions to a broader range of customers and strategic partners and (ii) pursue additional acquisitions.
- Bidco is committed to supporting the UK Government's ambition for the UK Life Sciences sector and intends for Vectura to continue to play a central role in the UK Life Sciences community as an independent company.
- The Vectura Directors note the reported uncertainties relating to the impact on Vectura's wider stakeholders arising as a result of the possibility of the Company being owned by PMI. Not only does the Increased Offer deliver greater value to Vectura shareholders, but also the Vectura Directors consider that Vectura may be better positioned under Carlyle ownership to meet both the Company's existing strategy, and the interests of a number of its current stakeholders.
- Vectura has an established Environmental, Social and Governance strategy and the Vectura Directors always consider the interests of key stakeholders, including shareholders, employees, suppliers, customers, the wider community and the environment, when making decisions. The way in which they do so is described in Vectura's annual report. In forming their recommendation to support this increased cash offer from Bidco, the Vectura Directors have had regard to their fiduciary duties and recognise that Carlyle is an experienced and highly reputable investor in the healthcare sector.
- **The Increased Offer is superior to the PMI Offer on price and timing and Bidco believes that it is also well aligned with Vectura's wider stakeholder objectives.**
- 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. 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.
- **The Vectura Directors have therefore withdrawn their recommendation of the PMI Offer and intend to adjourn the shareholder meetings relating to the PMI Offer.**

- The Vectura Directors intend to publish any documents required to reconvene the Court Meeting and the Vectura General Meeting as soon as possible following the Increased Offer and the PMI Offer (or any revisions thereof) becoming final (or, if applicable, following the conclusion of any auction process imposed by the Panel) in order to reconvene the Court Meeting and the Vectura General Meeting for 24 August 2021, or as soon as possible thereafter as is consistent with the requirements of the Vectura Articles, the Panel and the Court.
- Vectura continues to trade generally in line with expectations. However, whilst momentum in the CDMO deal funnel continues to show good progress, the trajectory of revenues in 2021 has been slower than expected, with uncertainty over the future ownership of Vectura also beginning to impact negatively CDMO growth in the second half.

Commenting on the Offer, Bruno Angelici, Chairman of the Vectura Board said:

"We welcome the Increased Offer from Carlyle, which demonstrates the strong progress Vectura has made since embarking on its new strategy in 2019. Whilst we remain confident in the long-term fundamentals of the Vectura Group, we believe this is a highly attractive offer for Vectura shareholders, which secures the delivery of future value in cash, with no regulatory contingencies to completion."

Commenting on the Offer, Will Downie, Chief Executive Offer of Vectura said:

"We are well aware of the capabilities Carlyle has in the healthcare space and their successful track record with businesses they have invested in. We also recognise the potential benefits to Vectura's existing strategy and associated stakeholders from being under Carlyle ownership, and believe that our people, our clients and our businesses can prosper under the stewardship of Carlyle. With their support I am confident in Vectura's continued transformation into becoming a leading inhaled CDMO player."

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 will build on Vectura's foundations as a success story for UK life sciences, and are focused on creating a truly global independent leading CDMO. We look forward to working with Will Downie and his team."

Enquiries:

Bidco

Andrew Kenny, Carlyle

Tel: +44 (0)7816 176120

Andrew Honnor, James Madsen, Greenbrook (PR adviser to Bidco)

Tel: +44 (0)20 7952 2000

Morgan Stanley, as Lead Financial Adviser to Bidco

Tel: +44 (0)20 7425 8000

Anthony Zammit
Siddhart Nahata
Andrew Foster

RBC Capital Markets, as Financial Adviser to Bidco

Tel: +44 (0)20 7653 4000

Thomas Stockman
Alexander Thomas
Mark Rushton

Vectura

Tel: +44 (0)20 7881 0524

Will Downie (Chief Executive Officer)
Paul Fry (Chief Financial Officer)

**J.P. Morgan Cazenove, as Joint Financial Adviser and
Joint Corporate Broker to Vectura**

Tel: +44 (0)20 7742 4000

James Mitford
Celia Murray
Alex Bruce
Hemant Kapoor

Rothschild & Co, as Joint Financial Adviser to Vectura

Tel: +44 (0)20 7280 5000

Julian Hudson
Vincent Meziere
Toby Wright

Numis, Joint Corporate Broker to Vectura:

Tel: +44 (0)20 7260 1000

James Black

FTI Consulting, PR Adviser to Vectura:

Tel: +44 (0)20 3727 1000

Ben Atwell
Simon Conway

Email:
SCVectura@fticonsulting.com

Public Enquiries:

Tel: +44 (0)7471 352 720

David Ginivan

Analyst/Investor Enquiries:

Email: ir@Vectura.com

Olivia Manser

Tel: +44 (0) 7947 758 259

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 and any supplement or revision to 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, if required by law, the Panel or the Court, prepare any supplement or revision to the Scheme Document to be distributed to Vectura Shareholders. Vectura and Bidco urge Vectura Shareholders to read the Scheme Document, and any supplement or revision to the Scheme Document that may be prepared, because they 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, the Scheme Document and any supplement or revision to 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 States.

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, any member of the Vectura Group, 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 Vectura’s, any member of the Vectura Group’s, Bidco’s 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's 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's or Vectura's respective businesses.

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 include 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, any member of the Vectura Group, 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 Vectura Group, 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.

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) (excluding UK public holidays) or by submitting a request in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. 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.

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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6 August 2021

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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

1 Introduction

On 26 May 2021, Vectura Group plc (“**Vectura**”) and Bidco, a newly formed company indirectly controlled by funds managed by Carlyle Europe Partners V, announced (the “**Original Announcement**”) that they had agreed the terms of an acquisition of the entire issued and to be issued ordinary share capital of Vectura by Bidco at a price of 136 pence per share (the “**Acquisition**”), to be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Carlyle Offer**”). The scheme document in respect of the Carlyle Offer was published on 18 June 2021 (the “**Scheme Document**”), and included a unanimous recommendation from the Vectura Directors to the Vectura Shareholders to vote in favour of the Carlyle Offer at the Court Meeting and Vectura General Meeting related to the Carlyle Offer (the “**Carlyle Offer Shareholder Meetings**”).

On 9 July 2021, PMI Global Services Inc. (“**PMI**”) announced it had agreed the terms of a recommended acquisition of Vectura at a higher price of 150 pence per share (the “**PMI Offer**”) and the Vectura Directors withdrew their recommendation of the Carlyle Offer and adjourned the Carlyle Offer Shareholder Meetings.

Today the boards of Bidco and Vectura are pleased to announce that they have reached agreement on the terms of an increased recommended cash offer under which Bidco will acquire all of the issued and to be issued ordinary share capital of Vectura at a price of 155 pence per share (the “**Increased Offer**”).

2 The Increased Offer Price

Under the Increased Offer, Vectura Shareholders shall be entitled to receive:

for each Vectura Share held	155 pence in cash
	(the “Offer Price”)

The Increased Offer values the entire issued and to be issued ordinary share capital of Vectura at approximately £958 million and represents a premium of approximately:

- 60 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 Offer Period);
- 58 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 Offer Period);
- 50 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 Offer Period); and
- 5 pence per share to the price of 150 pence per Vectura Share that Vectura Shareholders would be entitled to receive under the PMI Offer.

If any dividend, distribution or other return of value is declared, paid or made or becomes payable by Vectura in respect of Vectura Shares with a record date falling on or after the date of this announcement and on or prior to the Effective Date, Bidco reserves the right to reduce the Offer Price 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 any such dividend, distribution or other return of capital is declared, paid or made or becomes payable by Vectura with a record date falling on or after the date of this announcement and on or prior to the Effective Date and Bidco exercises its rights described above, any reference to the Offer Price payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph 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 terms of the Scheme.

3 Background to the Increased Offer

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 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.

Under Bidco's ownership, Vectura will be managed as an independent company, with a dedicated leadership team focused on accelerating Vectura's existing strategy. Bidco believes that Vectura is a strong platform from which to grow a leading UK headquartered life sciences business and is excited to work with the leadership team to deliver this vision. With its support and investment, Bidco believes that Vectura will remain an exciting place for its employees to work, with unencumbered access to the full range of new drug development opportunities. Bidco is committed to supporting the UK Government's ambitions for the UK Life Sciences sector and intends for Vectura to continue to play a central role in the UK Life Sciences community as an independent company.

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. Bidco believes that its ownership of Vectura would not create potential ethical conflicts of interest for employees as a result of its other business lines and would ensure employees can continue to participate in key scientific forums and societies.

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 intends to invest in growing Vectura's R&D services in support of the UK and international life science sectors. As an independent standalone company, Bidco will be focused on supporting and accelerating the growth of Vectura's development capabilities. Bidco intends for Vectura to invest a level of expenditure on research and development consistent with its past practice and sufficient for completion of existing co-development projects.

Headquarters, locations and fixed assets

Bidco intends to retain Vectura as a UK managed business and is expected to remain a standalone business, with its own dedicated leadership team.

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.

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 the Scheme Document, 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.

5 Vectura recommendation

In light of the superior proposal of 155 pence per Vectura Share under the Increased Offer as compared to the PMI Offer, 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.

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 their entire beneficial holdings in Vectura amounting to, in aggregate, 472,887 Vectura Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021. The details of these irrevocable undertakings remain as set out in the Original Announcement.

Accordingly, the Vectura Directors intend to publish any documents required to reconvene the Court Meeting and the Vectura General Meeting as soon as possible following the Increased Offer and the PMI Offer (or any revisions thereof) becoming final (or, if applicable, following the conclusion of any auction process imposed by the Panel) in order to reconvene the Court Meeting and the Vectura General Meeting for 24 August 2021, or as soon as possible thereafter as is consistent with the requirements of the Vectura Articles, the Panel and the Court.

The Vectura Directors have therefore withdrawn their recommendation of the PMI Offer and intend to adjourn the shareholder meetings relating to the PMI Offer.

Vectura has an established Environmental, Social and Governance strategy and the Vectura Directors always consider the interests of key stakeholders, including shareholders, employees, suppliers, customers, the wider community and the environment, when making decisions. The way in which they do so is described in Vectura's annual report. In forming their recommendation to support this increased cash offer from Bidco, the Vectura Directors have had regard to their fiduciary duties and recognise that Carlyle is an experienced and highly reputable investor in the healthcare sector.

The Vectura Directors note the reported uncertainties relating to the impact on Vectura's wider stakeholders arising as a result of the possibility of the Company being owned by PMI. Not only does the Increased Offer deliver greater value to Vectura shareholders, but also the Vectura Directors consider that Vectura may be better positioned under Carlyle ownership to meet both the company's existing strategy, and the interests of a number of its current stakeholders. The Vectura Directors believe that ownership by and support from Carlyle funds will allow Vectura to (i) further develop its extensive differentiated technology and expertise and be able to provide its solutions to a broader range of customers and strategic partners and (ii) pursue additional acquisitions.

In addition, the Vectura Directors also note that Bidco has received all of the regulatory approvals which it was actively seeking.

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.

6 Irrevocable undertakings

Bidco has received irrevocable undertakings in relation to voting in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting from AXA Investment Managers UK Limited, TIG Advisors, LLC and Berry Street Capital

Management LLP in respect of a total of 67,133,559 Vectura Shares representing, in aggregate, approximately 11.2 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021.

As set out above, all irrevocable undertakings given by Vectura Directors and one former Vectura director to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting remain in force in respect of their entire beneficial holdings in Vectura amounting to, in aggregate, 587,662 Vectura Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021. The details of these irrevocable undertakings remain as set out in the Original Announcement.

Bidco has therefore received irrevocable undertakings in respect of a total of 67,721,221 Vectura Shares, representing approximately 11.3 per cent. of the issued ordinary share capital of Vectura as at close of business on 5 August 2021.

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

7 Conditions to the Acquisition

Bidco and Vectura, with the consent of the Panel, have agreed to extend the dates by when the Conditions relating to holding the Court Meeting and the Vectura General Meeting, set out in Conditions 2(a) and 2(b) of Part A of Part 3 (*Conditions to and Further Terms of the Acquisition*) of the Scheme Document, must be satisfied to 3 September 2021.

Bidco and Vectura, with the consent of the Panel, have agreed to extend the date by when the Condition relating to the timing of the Court Hearing, set out in Condition 2(c) of Part A of Part 3 (*Conditions to and Further Terms of the Acquisition*) of the Scheme Document, must be satisfied to 30 September 2021.

The Acquisition will otherwise be subject to the same Conditions and further terms as set out in the Scheme Document. Bidco and Vectura are pleased to confirm that the Irish Antitrust Condition, the Japanese Antitrust Condition and the German Foreign Investment Condition have all been satisfied prior to this announcement. As a result of Vectura's sale of its Lyon manufacturing facility completing, Bidco has agreed to waive the French Foreign Investment Condition. As the NSI Act is not expected to come into force prior to the Effective Date for the Increased Offer, Bidco has agreed to waive the UK National Security and Investment Condition.

Bidco therefore already has all the approvals it has been seeking from regulators, so the only approvals now actively required are Vectura shareholder approvals and sanction by the Court.

8 Financing the Increased Offer

Bidco is providing the cash consideration payable under the Increased Offer from a combination of equity to be invested indirectly by The Carlyle Group pursuant to a revised equity commitment letter 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 Offer Price payable to Vectura Shareholders under the terms of the Acquisition.

9 Vectura Trading Update

On 26 May 2021, Vectura released a trading update (the “**Vectura Trading Update**”) ahead of its annual general meeting, which is available on www.Vectura.com. On 9 June 2021, Vectura completed the sale of its oral manufacturing facility in Lyon which was referenced in the Vectura Trading Update.

In the Vectura Trading Update, Vectura stated that it expected the ICS/LABA market to normalise in 2022 and over the medium term, with flutiform® volumes following a similar trend. Current partner demand forecasts for 2021 and 2022 suggest continued weakness in market volumes, which is likely to delay the normalisation of flutiform® volumes until the second half of 2022.

Vectura 2021 flutiform® Gross Profit Forecast

The Vectura Trading Update stated that the gross profit forecast of flutiform® remains in line with the previous guidance (the “**Vectura 2021 flutiform® Gross Profit Forecast**”), which was given by Vectura during its analyst call in respect of its 2020 preliminary results on 18 March 2021. 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 is included in Appendix III below (Vectura 2021 flutiform® Gross Profit Forecast), which also sets out the basis of preparation and the assumptions used.

Recent trading

Vectura continues to trade generally in line with expectations. However, whilst momentum in the CDMO deal funnel continues to show good progress, the trajectory of revenues in 2021 has been slower than expected, with uncertainty over the future ownership of Vectura also beginning to impact negatively CDMO growth in the second half.

10 General

The Vectura Directors intend to publish any documents required to reconvene the Court Meeting and the Vectura General Meeting as soon as possible following the Increased Offer and the PMI Offer (or any revisions thereof) becoming final (or, if applicable, following the conclusion of any auction process imposed by the Panel) in order to reconvene the Court

Meeting and the Vectura General Meeting for 24 August 2021, or as soon as possible thereafter as is consistent with the requirements of the Vectura Articles, the Panel and the Court. It is expected that the Scheme will become effective during Q3 2021.

Save as disclosed in this announcement, the Increased Offer does not change Bidco's intentions as regards the business of Vectura (including locations of its operations), the management and employees of Vectura and the proposals in respect of the Vectura Share Plans, as set out in the Scheme Document and in the letters already sent to the participants in the Vectura Share Plans informing them of the effect of the Scheme on their rights under the Vectura Share Plans and, where applicable, containing appropriate proposals in respect of such rights.

The bases and sources of certain financial information contained in this announcement are set out in Appendix I to this announcement.

Capitalised terms in this announcement, unless otherwise defined have the same meanings as set out in the Scheme Document.

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.

In addition to the documents which are already available for inspection, as set out in the Original Announcement and the Scheme Document, copies of the following documents will be made available, subject to certain restrictions relating to persons resident in, or subject to the laws and/or regulations of, any Restricted Jurisdiction or resident in any Restricted Jurisdiction where the extension or availability of the Increased Offer would breach any applicable law, on Vectura's website at www.Vectura.com until the Effective Date:

- the irrevocable undertakings given by each of AXA Investment Managers UK Limited, TIG Advisors, LLC and Berry Street Capital Management LLP referred to in paragraph 6 above;
- the documents relating to the financing of the Increased Offer referred to in paragraph 8 above; and
- this announcement.

For the avoidance of doubt, neither the contents of that website nor the contents of any website accessible from hyperlinks on that website (or any other websites referred to in this announcement) are incorporated into, or form part of, this announcement.

Enquiries:

Bidco

Andrew Kenny, Carlyle

Tel: +44 (0)7816 176120

Andrew Honnor, James Madsen, Greenbrook (PR adviser to Bidco)

Tel: +44 (0)20 7952 2000

Morgan Stanley, as Lead Financial Adviser to Bidco

Tel: +44 (0)20 7425 8000

Anthony Zammit
Siddhart Nahata
Andrew Foster

RBC Capital Markets, as Financial Adviser to Bidco

Tel: +44 (0)20 7653 4000

Thomas Stockman
Alexander Thomas
Mark Rushton

Vectura

Tel: +44 (0)20 7881 0524

Will Downie (Chief Executive Officer)
Paul Fry (Chief Financial Officer)

**J.P. Morgan Cazenove, as Joint Financial Adviser and
Joint Corporate Broker to Vectura**

Tel: +44 (0)20 7742 4000

James Mitford
Celia Murray
Alex Bruce
Hemant Kapoor

Rothschild & Co, as Joint Financial Adviser to Vectura

Tel: +44 (0)20 7280 5000

Julian Hudson
Vincent Meziere
Toby Wright

Numis, Joint Corporate Broker to Vectura:

Tel: +44 (0)20 7260 1000

James Black

FTI Consulting, PR Adviser to Vectura:

Tel: +44 (0)20 3727 1000

Ben Atwell
Simon Conway

Email:
SCVectura@fticonsulting.com

Public Enquiries:

Tel: +44 (0)7471 352 720

David Ginivan

Analyst/Investor Enquiries:

Email: ir@Vectura.com

Olivia Manser

Tel: +44 (0) 7947 758 259

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 and any supplement or revision to 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, if required by law, the Panel or the Court, prepare any supplement or revision to the Scheme Document to be distributed to Vectura Shareholders. Vectura and Bidco urge Vectura Shareholders to read the Scheme Document, and any supplement or revision to the Scheme Document that may be prepared, because they 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, the Scheme Document and any supplement or revision to 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 States.

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, any member of the Vectura Group, 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 Vectura’s, any member of the Vectura Group’s, Bidco’s 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's 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's or Vectura's respective businesses.

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 include 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, any member of the Vectura Group, 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 Vectura Group, 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.

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) (excluding UK public holidays) or by submitting a request in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. 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.

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
SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) As at 5 August 2021 (being the last Business Day prior to publication of this announcement), there were 599,485,373 Vectura Shares in issue.
- (ii) Any references to the issued and to be issued share capital of Vectura are based on:
- the 599,485,373 Vectura Shares in issue referred to in paragraph (i) above (which includes 404,580 Vectura Shares held in the Vectura Group Employee Benefit Trust and 3,900,133 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 18,566,693 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 total value of the Acquisition based on the price payable under the Increased Offer 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.

APPENDIX II IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings given by Vectura Directors and one former Vectura director

As at close of business on 5 August 2021, the following Vectura Directors and Dr Thomas Werner, who was a director of Vectura at the time of the Original Announcement, had given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura 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 Shareholder	Number of Vectura Shares	Percentage of Vectura issued ordinary share capital
Bruno Angelici	236,385	0.04
Paul Fry	128,578*	0.02
Per-Olof Andersson	46,153	0.01
Juliet Thompson	45,261	0.01
Kevin Matthews	12,000	0.00
Will Downie	4,510*	0.00
Thomas Werner	114,775	0.02
TOTAL	587,662*	0.1

* - Includes shares held under the Vectura Share Incentive Plan

The obligations of the Vectura Directors and Dr Thomas Werner under the irrevocable undertakings shall lapse and cease to have effect on and from the Acquisition lapsing or being 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.

Irrevocable undertakings given by other persons holding interests in Vectura Shares

In addition, the following holders or controllers of Vectura Shares and persons otherwise having an interest in Vectura Shares have also given irrevocable undertakings in relation to voting in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting and, if Bidco exercises its right to implement the Acquisition by way of the Takeover Offer, to accepting or procuring acceptance of such offer:

Name	Number of Vectura Shares in respect of which undertaking is given	Percentage of Vectura issued ordinary share capital
AXA Investment Managers UK Limited	23,354,973	3.90
TIG Advisors, LLC	30,766,586	5.13
Berry Street Capital Management LLP	13,012,000	2.17
TOTAL	67,133,559	11.2

AXA Investment Management UK Limited controls and/or manages Vectura Shares and each of TIG Advisors, LLC and Berry Street Capital Management LLP presently have an interest in Vectura Shares pursuant to derivatives.

Each of TIG Advisors, LLC and Berry Street Capital Management LLP has undertaken:

- to close out and settle the derivatives and then to purchase the number of Vectura Shares in respect of which its irrevocable undertaking has been given (or in the case of Berry Capital Management LLP to use its reasonable endeavours to purchase such shares) and vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Vectura General Meeting (and, if Bidco exercises its right to implement the Acquisition by way of the Takeover Offer, to accept or procure acceptance of such offer) in respect of the Vectura Shares purchased; and
- to the extent that it is unable to purchase the total number of Vectura Shares in respect of which its irrevocable undertaking has been given (in the case of Berry Capital Management LLP despite using its reasonable endeavours to do so), to comply with the undertaking in respect of any Vectura Shares which it has been able to purchase and to procure (or, in the case of Berry Street Capital Management LLP, to use its reasonable endeavours to procure) that the registered holder(s) of a number of Vectura Shares equal to the shortfall does so.

The irrevocable undertakings given by each of AXA Investment Management UK Limited (which is subject to amendment or termination of its authority and to instruction to the contrary by its underlying clients and to any relevant regulatory requirement), TIG Advisors, LLC and Berry Street Capital Management LLP shall lapse and cease to have effect:

- on and from the Acquisition lapsing or being withdrawn in accordance with its terms, provided that this shall not apply: (i) where the Scheme is withdrawn or lapses 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;
- if a higher competing offer for the Vectura Shares (where the consideration per Vectura Share exceeds the consideration per Vectura Share under the Acquisition by at least 10 per cent.) is announced prior to the date of the Vectura General Meeting and Bidco does not announce a revised offer which is higher within 5 business days thereafter;
- in the case of AXA Management UK Limited only, if the Acquisition does not become effective by 11.59 p.m. on 26 November 2021; and

- if a competing offer is declared wholly unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

APPENDIX III

VECTURA 2021 FLUTIFORM® GROSS 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 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 Sterling above the average foreign exchange rates that have applied during the period 1 January 2021 to 5 August 2021 (inclusive) in respect of the currencies of the major territories in which the Vectura Group operates, in particular the US dollar (at \$1.39 : £1), Euro (at €1.16 : £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; and
- (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.