

Develop



Manufacture



Supply



Quantum
PHARMA PLC

Shares Innovators & Investors Forum

2 February 2016

Andrew Scaife - CEO

Group Overview

- ➔ Service-led, niche pharmaceutical manufacturer, developer and supplier to the health and care sectors
- ➔ Operates across eight sites in the UK and Greece with over 450 employees
- ➔ Three divisions:
 - **Specials** comprising four business units which manufacture, source, develop and supply specials
 - **Niche Pharmaceuticals** comprising three business units which develop and supply niche pharmaceuticals
 - **Medication Adherence** comprising two business units which provide products and services designed to enhance adherence to medication regimes



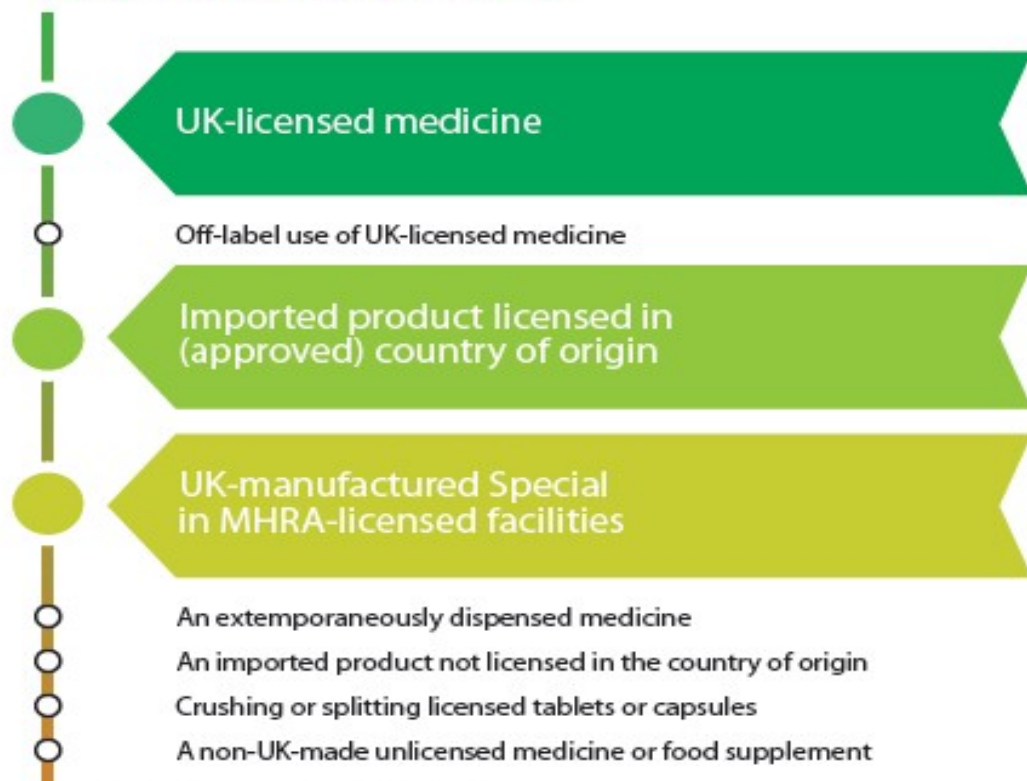
Group Overview (continued)

- ➔ Quantum Pharmaceutical (core Specials business) founded in 2004
- ➔ Private equity backed MBO in 2009 and six acquisitions between 2010 and 2015
- ➔ Admitted to AIM in December 2014
- ➔ Market leading service level and breadth of product range
- ➔ State of the art manufacturing and development facilities
- ➔ Offer a range of innovative and synergistic products and services to the retail pharmacy, pharmaceutical wholesale, hospital, homecare and care home markets



UK Prescribing Hierarchy

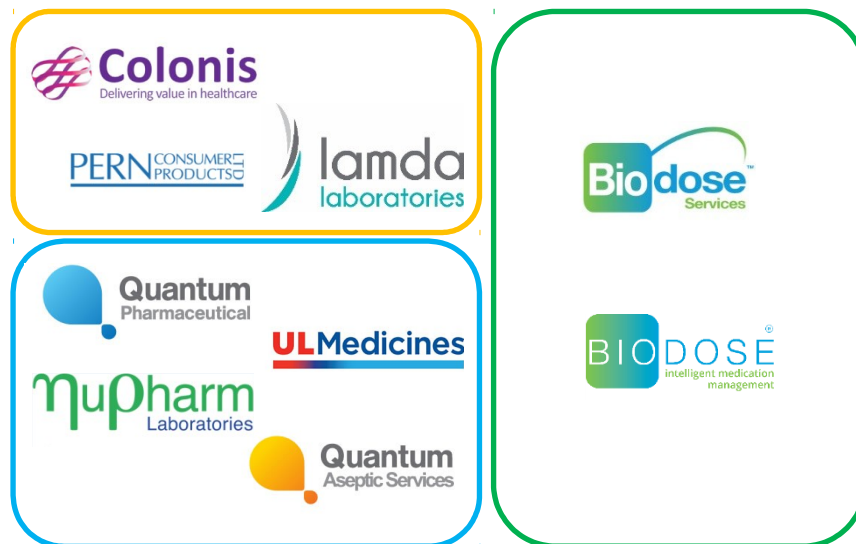
MOST FREQUENT



LESS FREQUENT

Adapted from RPS practical guidelines on supplying Specials
Hierarchy may alter in particular patient groups; for example, neonates

OUR PRODUCTS AND SERVICES



Specials



What is a Special?

A non-UK licensed medicine, either custom manufactured or procured for an individual patient need, where a clinician deems a patient requires a specific form, strength or formulation to treat their condition that is not available as a licensed product. Specials include:

- ➡ Different dosage forms
- ➡ Bespoke strengths
- ➡ Unusual formulations
- ➡ Discontinued licensed products
- ➡ Unlicensed imports i.e. products licensed in other territories but not in the UK

What is a Special Obtain?

A hard-to-source medicine or ancillary product that is not available from main pharmaceutical wholesalers, including:

- ➡ Specialist foods such as gluten-free breads
- ➡ Branded generics and vitamins
- ➡ Dressings
- ➡ Made to measure compression hosiery
- ➡ Dermatology products



- ➔ Founded in 2004
- ➔ Based in Burnopfield, County Durham
- ➔ Manufactures and supplies specials and special obtains to the majority of large retail and independent pharmacy chains in the UK, as well as large pharmaceutical wholesalers
- ➔ Customer-focused, service-driven business model, which provides shorter lead times on a broader range of products than any of its competitors
- ➔ In the last 12 months, serviced around 8,000 pharmacies and dispensing doctors across the UK either directly or on behalf of our wholesale customers
- ➔ Specials business over 90% contracted
- ➔ 50% shareholding in QM Specials, a business that manufactures and supplies specials in Ireland



- ➔ Acquired in 2012
- ➔ Based in Gateshead and Watford
- ➔ Supplies unlicensed, imported medicines, batch manufactured and bespoke specials with a focus on the hospital market
- ➔ Supplies almost all UK hospital trusts, plus community pharmacies and wholesalers in the UK and overseas
- ➔ Reputation for quality and service is built on a range of more than 500 imported medicines sourced from more than 24 countries
- ➔ Specialist over-labelling service that translates accompanying local language patient documentation into English
- ➔ To support continued growth and range extensions, operations moved to a newly commissioned 15,000 square foot warehouse in August 2015



- ➔ Acquired in July 2015
- ➔ Based in Deeside, North Wales
- ➔ Niche contract manufacturer, developer and supplier of batch made specials, licensed products and clinical trial products
- ➔ Has specials, licensed product and clinical trials manufacturing licenses
- ➔ In excess of 90 batch made specials in current portfolio.
- ➔ Manufactures 2 licensed products
- ➔ Currently subject to MHRA manufacturing restriction from prior to acquisition but working with the MHRA to remedy and release those in the near term
- ➔ When MHRA restriction resolved provides the Group with ability to manufacture batch made specials (to support Quantum Pharmaceutical and UL) and some licensed product (to support Niche Pharmaceuticals division)
- ➔ Potential for range expansion and further penetration of customer base



- ➔ Founded in 2013
- ➔ Custom state of the art aseptic (sterile) suite based in Burnopfield, County Durham
- ➔ Manufactures named patient and batch made aseptically prepared sterile intravenous specials
- ➔ Serving the hospital market (both NHS and private) and homecare patients
- ➔ Focus on oncology and ophthalmics
- ➔ Supports homecare strategy in Medication Adherence division
- ➔ Unique six-day-a-week, next morning (pre 10:30am) compounding service
- ➔ Introduced a UK first in aseptic compounding – precision dose control technology that allows exacting levels of quality content
- ➔ Facility and service highly regarded amongst specialist pharmacists



Niche Pharmaceuticals

Moving Specials to MHRA Licensed Status and Pipeline

- ➡ Once a product has been granted a licence (marketing authorisation), all Specials manufacturers are required to stop supplying that medicine as a Special
- ➡ The licence holder can therefore potentially increase its volumes, which should lead to improved margins and gain market share
- ➡ The Group has excellent visibility of trends in the UK pharmacy and hospital markets
- ➡ The Niche Pharmaceuticals division takes niche pharmaceutical products, including Specials, through the regulatory pathway to achieve licensed or regulated status
- ➡ The team have significant licensing expertise
- ➡ 5 regulated products launched; and the pipeline of regulated products (licensed pharmaceuticals or medical devices) in development for approval has more than doubled since float (December 2014: 31)
- ➡ Opportunities being identified by Group product development team to continue to grow Niche Pharmaceuticals pipeline beyond existing developments



- ➔ Invested in 2012 and acquired on admission to AIM in December 2014
- ➔ Based in Tunbridge Wells, Kent
- ➔ Product development business which takes niche pharmaceutical products including specials, through the regulatory pathway to achieve licensed and/or regulated product (medical device) status
- ➔ Key strategic objectives:
 - identify niche products suitable for licensing and/or regulated status
 - take products through the regulatory pathway
 - market products utilising the Group's existing sales channels and service led business model
- ➔ Prior to Lamda acquisition, utilised 3rd party suppliers for development work
- ➔ Undertakes in- and out- licensing activities
- ➔ 5 regulated products launched and the pipeline of regulated products (licensed pharmaceuticals and medical devices) has more than doubled since float (December 2014: 31);
- ➔ Range of Mucodis® branded medical devices to treat some of the side effects of cancer treatment in patients launched in November 2015



- ➔ Acquired in April 2015
- ➔ Based in Athens, Greece
- ➔ A full-service contract development specialist providing product development with emphasis on formulation and analytical development and regulatory process assistance
- ➔ Has a track record of in excess of 100 projects successfully completed
- ➔ Provides in-house development for the Niche Pharmaceuticals pipeline as well as a fully outsourced research and development service for pharmaceutical companies looking to develop pharmaceutical forms or to license medicinal products
- ➔ Customers in the UK, Germany, Italy, Sweden, Greece and Cyprus



- ➔ Founded in 2007
- ➔ Based in Burnopfield, County Durham
- ➔ Supplies a range of menthol in aqueous creams under the Dermacool brand



Medication Adherence



- ➔ Invested in Protomed (owner of Biodose) in 2010 and acquired in 2013
- ➔ Based in Congleton, Cheshire
- ➔ Biodose is the only medicine delivery system capable of carrying liquids and solids – patent protected
- ➔ Biodose consists of a tray, 28 medicine pods and a seal, used to arrange medication in a patient specific format – currently used by around 50,000 patients
- ➔ Approximately 50% of patients don't take medicines as prescribed. 6 – 10% of hospital admissions due to non-adherence
- ➔ Biodose Connect® enables remote monitoring of medicine adherence. It provides the ability to offer tailored alerts to the patient's healthcare professional when key medicines are missed. This reduces the risk of admissions to hospitals and care homes
- ➔ Development continuing with new enhanced features including audible alerts and a dashboard to offer remote medication management and tailored reminders to patients
- ➔ Involved in a number of pilot studies in conjunction with the NHS
- ➔ Due to be commercialised in 2016

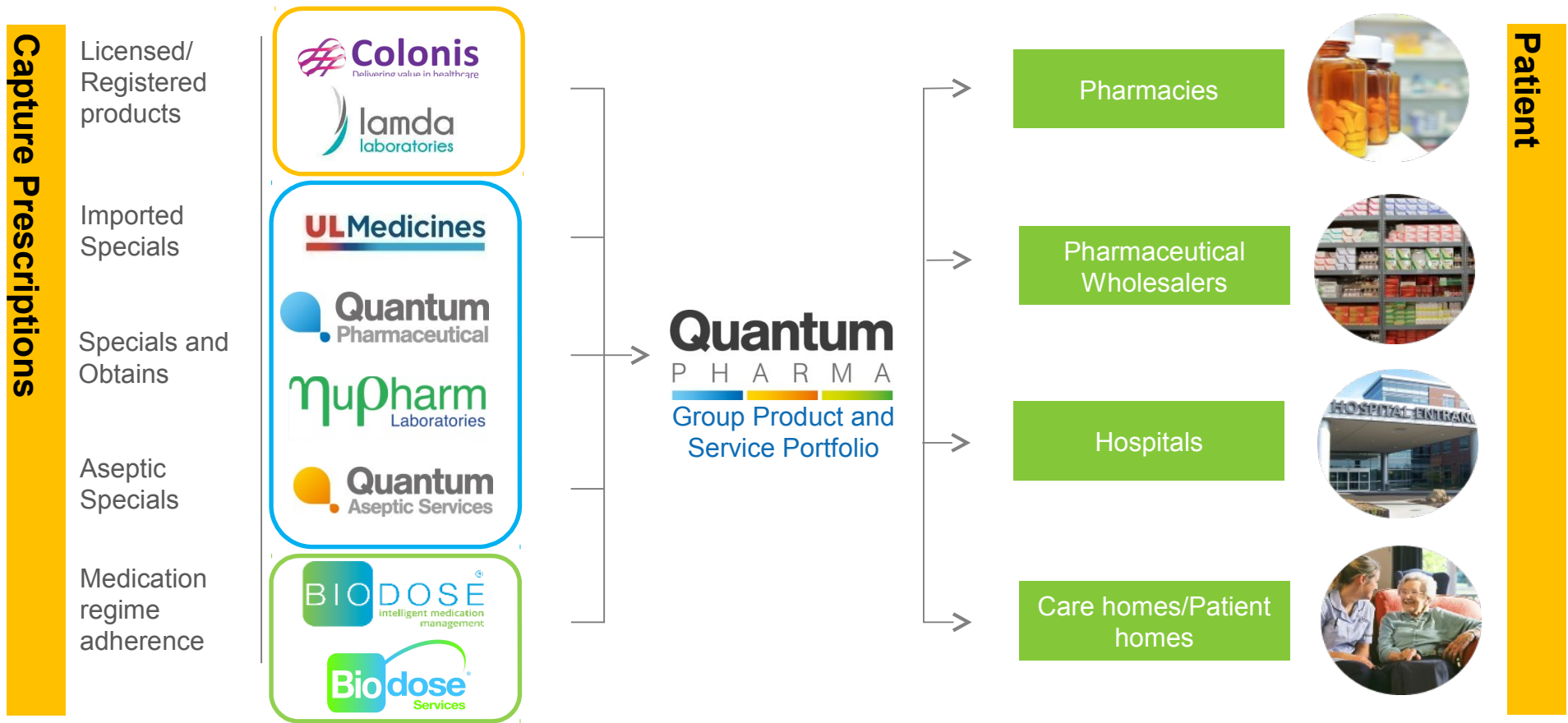


- ➔ Acquired Biodose Services in 2011
- ➔ Based in Featherstone, Yorkshire
- ➔ A dedicated dispensary business delivering medication to patients homes including Fertility, oral oncology, HIV and arthritis and providing pre-prepared medication regimes to care homes
- ➔ Operates from a 7,600ft2 purpose designed specialist pharmacy in West Yorkshire
- ➔ Offers a range of patient focused homecare services to the NHS, private clinics and pharmaceutical companies across the UK including the Stork Fertility Service – premium homecare for patients receiving fertility treatment



Summary and Financial

Comprehensive service offering



Industry Leading Service

Financials and dividend

- ➡ Revenue of £61.7m and adjusted EBITDA of £12.2m for year ended 31 January 2015
- ➡ Adjusted EBITDA for year ended 31 January 2016 expected to be around £12.7m
- ➡ Overall the Group has progressed significantly in FY 2016. However the Niche Pharmaceuticals division has experienced some delays in product pipeline
- ➡ As a result of delays more moderate double digit revenue and EBITDA growth anticipated for FY 2017
- ➡ For year ended 31 January 2016 a final dividend of 1.0 pence per share expected, making a full dividend of 1.5 pence in line with the progressive dividend policy announced on Admission

Summary

- Proven track record of growth
- Fundamentals of Group are stronger than they were at the time of AIM IPO in December 2014
- Acquisition of Lamda in April 2015 provided the Group with in-house product development capability to provide more control over speed of delivery as well as cost levels
- Acquisition of Nupharm in July 2015 completed UK based infrastructure in a time frame significantly shorted than anticipated at Admission
- Market leading and profitable Specials division with a strong market position providing a robust platform for growth
- Significant growth opportunities in Niche Pharmaceuticals as the pipeline of regulated products in development for approval reaches the market in the next few years
- Excellent routes to market for product – opportunities to leverage existing customer relationships
- Launch of Biodose Connect® by Medication Adherence division in 2016



Any Questions?

➞ Stand 4

➞ Email: ir@quantumpharma.co.uk

Disclaimer

This presentation is for information purposes only and no reliance may be placed upon it. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this presentation.

This presentation does not constitute or form part of any offer or invitation for sale or subscription of, or any solicitation of any offer to buy or subscribe for, any securities of Quantum Pharma Plc ("Quantum"). The making of this presentation does not constitute a recommendation regarding any such securities.

Any projections or other forward-looking statements are made by the Directors of Quantum in good faith based on the information available to them at 1 February 2016 and reflect the Directors' knowledge and information available at that date and their beliefs and expectations. These statements may involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved.

Quantum does not intend to update any projections or other forward-looking statements contained in this presentation. Each forward-looking statement speaks only as at 1 February 2016 and Quantum Pharma Plc and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation. No statement in the presentation is intended to be, or intended to be construed as, a profit forecast or profit estimate and no statement in the presentation should be interpreted to mean that earnings per Quantum share for the current or future financial years will necessarily match or exceed the historical earnings per Quantum share. As a result, you are cautioned not to place any undue reliance on such forward-looking statements. Past performance of securities in Quantum cannot be relied upon as a guide to the future performance of such securities.