Acacia Pharma Group plc

2018 Results Presentation

Dr Julian Gilbert, CEO, Christine Soden, CFO &
Mike Bolinder, CCO

Important notice

The information contained in this presentation (this **"presentation"**) has been prepared by Acacia Pharma Group plc ("the **Company**") as at the date of this presentation and is subject to updating, completion, revision, further verification and amendment without notice. This presentation is for general information only and is the property of the Company. Making this presentation available in no circumstances whatsoever implies the existence of a commitment or contract by or with the Company, or any of its affiliated entities, or any of its or their respective subsidiaries, directors, officers, representatives, employees, advisers or agents for any purpose.

This presentation has not been approved by the United Kingdom Listing Authority under the Prospectus Rules (made under Part VI of the Financial Services and Markets Act 2000 ("**FSMA**")), by the Belgian Financial Services and Markets Authority or otherwise, by the regulated market of Euronext Brussels. This presentation does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this presentation or on the completeness, accuracy or fairness thereof.

No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Company or its directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this presentation and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise for any other communication written or otherwise. In addition, in issuing this presentation, the Company undertakes no obligation to update or to correct any inaccuracies which may become apparent in this presentation. Notwithstanding the aforesaid, nothing in this paragraph shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently.

The statements contained in this presentation may include "forward looking statements" that express expectations of future events or results. All statements based on future expectations rather than on historical facts are forward looking statements that involve a number of risks and uncertainties and the Company cannot give assurance that such statements will prove to be correct. Any forward looking statements made by or on behalf of the Company speak only as of the date they are made. The Company gives no undertaking to update forward looking statements to reflect any changes in expectations, events, conditions or circumstances upon which such statements are made.

The presentation should not be considered a recommendation by the Company or any of its affiliated entities, or any of its or their respective subsidiaries, directors, officers, representatives, employees, advisers or agents in connection with any purchase of or subscription for securities of the Company.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. In particular, this presentation should not be copied or distributed by recipients and should not be distributed by any means including electronic transmission, to persons with addresses in the United States of America, Canada, Australia, South Africa or Japan their possessions or territories or to any citizens thereof, or to any corporation, partnership or such entity created or organised under the laws thereof. Any such distribution contrary to the above could result in a violation of the laws of such countries.

Highlights

BARHEMSYS™ A new option in PONV	• Differentiated antiemetic mechanism (dopamine D_2/D_3) • Clinically proven in 4 pivotal PONV trials • First drug approved for rescue treatment, if approved • **PDUFA DATE: 5 MAY 2019**
Significant market opportunity in PONV	• ~65m surgical patient a year in the US eligible for an antiemetic • ~49m patients a year receive an antiemetic • ~16m patients develop PONV despite prophylaxis and require rescue treatment • ~18m high-risk patients eligible for combination prophylaxis
Building efficient US commercial capability	• Initially 60 reps can target 1,600 US hospitals representing ~80% of surgical procedures • Key personnel already recruited to enable effective US launch • Own global marketing rights – upside potential from ex-US partnerships
Strong product protection	• Market exclusivity in US – minimum 5 years • Initial patent term to 2031 with likely patent extension • Additional patent applications filed – potential term to 2038

2018 operational highlights

- IPO and listing on Euronext Brussels raised net proceeds of £34.1m in March
  - Key to funding pre-commercial activities and finalising development work
- US infrastructure established in preparation for commercialising BARHEMSYS™, pending regulatory approval
  - 35 highly experienced sales, marketing, regulatory and operations professionals in place
  - Platform key to support direct sales force of 60 (increasing to 100), upon launch
- Revised target PDUFA review date of 5 May 2019 for BARHEMSYS NDA
  - Unique label sought addressing two key needs – rescue treatment and combination prophylaxis
  - Complete Response Letter received 5 October 2018 – deficiencies at pre-approval inspection at API supplier, no issues cited over safety or efficacy
  - Rapid re-submission (5 November) and acceptance
  - **Continue to plan for launch 1H2019**
- Positive Phase 3 trial results published in leading peer-reviewed journals
  - Additional safety study adds supportive data
- Board strengthened with appointments of Dr John Brown and Edward Borkowski

Financial highlights

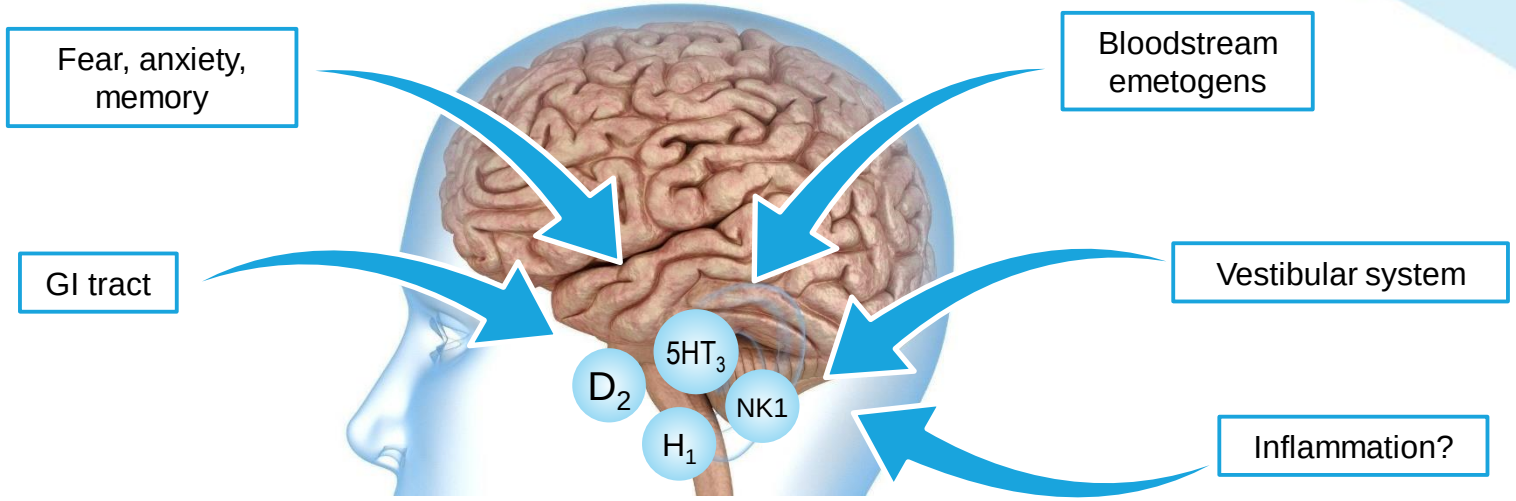
- Loss after tax of £15.5m (2017: £6.2m) with increases reflecting costs relating to Euronext listing and preparations for the commercialisation of BARHEMSYS™ in the US:
  - R&D expenses (£2.3m higher at £3.8m)
  - G&A expenses (£2.8m higher at £4.3m)
  - Sales and marketing costs (£6.9m higher at £6.9m)

- IPO raised net proceeds of £34.1m in March 2018

- New $30m term loan facility secured with Hercules Technology Growth Capital
  - $10m drawn in June 2018 and existing Silicon Valley Bank loan (£5.2m) repaid

- Strong cash position at year end of £29.4m (2017: £3.1m)

Nausea & vomiting is a complex process managed with combinations of antiemetics



- Multiple pathways involved, including:
  - Serotonin (5-HT_3)
  - Dopamine (D_2)
  - Inflammatory mediators
  - Substance P (NK1)

- Previous gold standard in PONV was D_2 antagonist droperidol, now rarely used due to safety issues

- Current standard-of-care: 5-HT_3s ± corticosteroids
- NK1s added in CINV

- Despite this
  - ~One third of surgical patients still get PONV
  - Up to 50% of cancer patients get CINV

Dopamine blockade is a key mechanism, but no longer served by current antiemetics

An effective and safe 3rd antiemetic mechanism is required

PREVENTION

Prophylaxis

Assess risk factors: Female, Prior history, Non-smoker, Opioid pain control

Low risk (0/1)	Medium risk (2)	High risk (3 or 4)
No antiemetic "Wait & see" and treat if needed	Give one antiemetic	Give multiple antiemetics from different mechanisms of action

~90% of patients get 5-HT_3, ~80% 2nd drug get steroid, options very limited when 3rd drug needed

TREATMENT

Treatment

Approximately 30% of surgical patients still get PONV even after prophylaxis

No prophylaxis given	Prophylaxis given but patient suffers PONV
Treat with any available antiemetic	Treat using an antiemetic from a mechanism that has not been given prophylactically

Can't use 5-HT_3 in 90%, can't use steroids too slow

Rescue options extremely limited a 3rd drug is acutely needed

High incidence of PONV, increasing hospital costs and reducing income potential

Common complication of surgery (30-80%)

Increases morbidity and is a driver for ERAS protocols to improve mobilisation

25%

increase in length of stay

Increases hospital costs

Unanticipated & extended in-patient hospital stays and extended time in PACU

~$2,300

per day

Distressing to patients

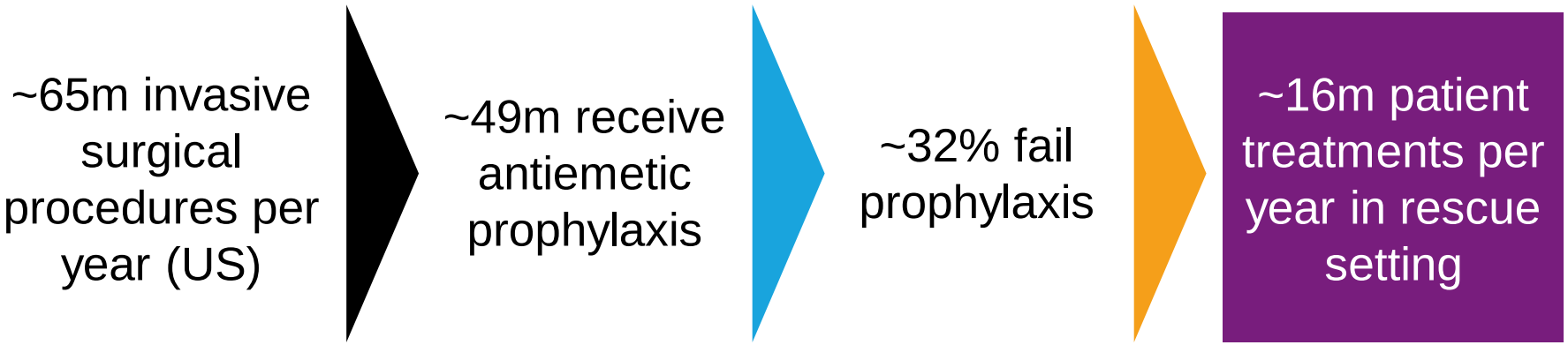
Patient satisfaction linked to income and used as a marketing tool

1st

over pain

Better PONV management can therefore reduce hospital costs and optimise hospital income

Key market segment of PONV, rescue treatment, is not being adequately addressed



Patients currently receive 2 rescue doses giving a total addressable rescue market of up to ~32 million doses

No drugs currently indicated for rescue treatment

- "When rescue therapy is required, the antiemetic should be chosen from a **different therapeutic class** than the drugs used for prophylaxis" (Consensus Guidelines)

- 90% of US prophylaxis includes a 5-HT_3 antagonist

And yet…

- 69% rescue patients receive a 5-HT_3 (against guidelines, contrary to label) and

- **No drug currently indicated for rescue treatment of PONV**
- **No drug shown to be effective for rescue in controlled clinical trials**

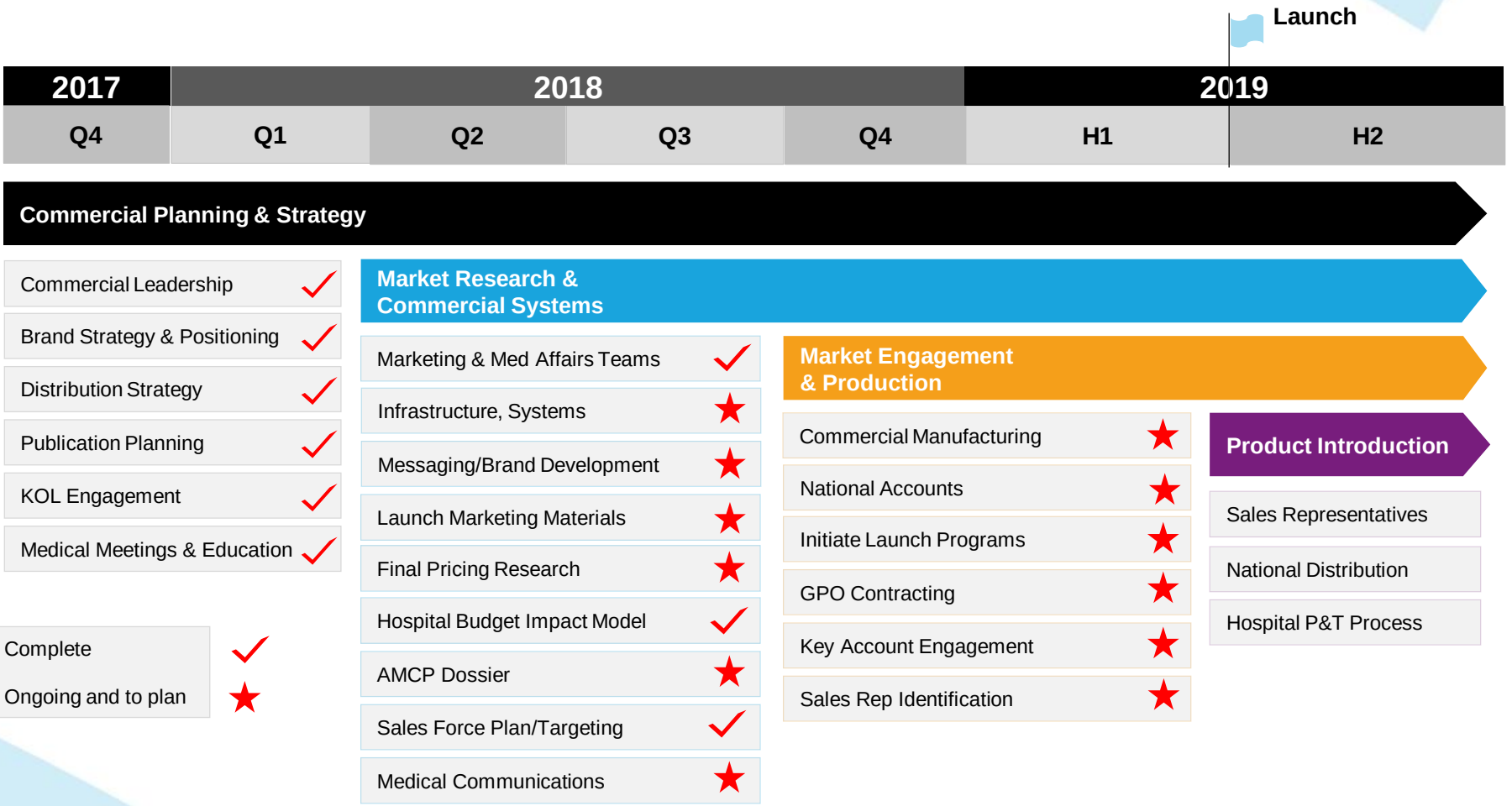
Major unmet need for effective, safe antiemetic (not 5-HT_3 or steroid) for rescue treatment

BARHEMSYS™ clinical and regulatory overview

- FDA issued a Complete Response Letter 5 October 2018
  - No issues cited with respect to BARHEMSYS safety or efficacy or proposed label
  - Sole issue related to deficiencies at Contract Manufacturer of API
  - Following submission of CAPA by manufacturer, NDA re-submitted 5 November
  - **PDUFA date 5 May 2019**
- Broad and unique proposed label
  - Treatment of established PONV (including after failed 5-HT_3 prophylaxis) with 10 mg single dose
  - Prophylaxis of PONV (alone or in combination) with 5 mg single dose
- Comprehensive and robust NDA package of 8 clinical trials (North America, Europe)
  - **Two positive pivotal studies in PONV rescue/treatment plus two positive pivotal studies in PONV prophylaxis**
  - Two further supportive prophylaxis studies, thorough QT study: below FDA threshold of concern, clinical pharmacology study with radio-labelled drug
- Extensive safety and efficacy database
  - More than 3,000 patients enrolled, ~2,000 received BARHEMSYS

Barhemsys™ (amisulpride) injection 2.5mg/mL

BARHEMSYS US launch readiness plan



Key launch workstreams completed and ongoing

US team hiring on track for launch and mostly completed with exception of the sales force

Mike Bolinder
CCO

Gabriel Fox
CMO

Christine Soden
CFO

Sales (67 staff)

- VP Sales ✓
- Regional Business Directors (6) ✓
- Territory Managers (60) ★

Marketing (6 staff)

- Executive Director, Operations & Strategy ✓
- Executive Director, HCP/KOL Marketing Strategy ✓
- Product Manager – HCP/P2P ✓
- Payer Marketing Manager ✓
- Product Manager – Strategy ✓
- Marketing Operations ✓

Market Access (7 staff)

- Group Leader, National Accounts ✓
- National Accounts Directors (6) ✓

Commercial Operations (5 staff)

- VP Commercial Operations ✓
- Director, Commercial Mft/Supply Chain ✓
- Training & Development ✓
- Sales Operations Analyst ★
- Commercial Analytics

Back Office (5 staff)

- HR Director ✓
- Office Manager ✓
- Staff Admin

Medical Affairs (11 staff)

- Medical Director ✓
- Medical Science Comm Director ✓
- Global Head of Regulatory ✓
- Regulatory Ad Promo ✓
- Director, Med Science Liaison Team ✓
- Medical Science Liaisons (6) ✓

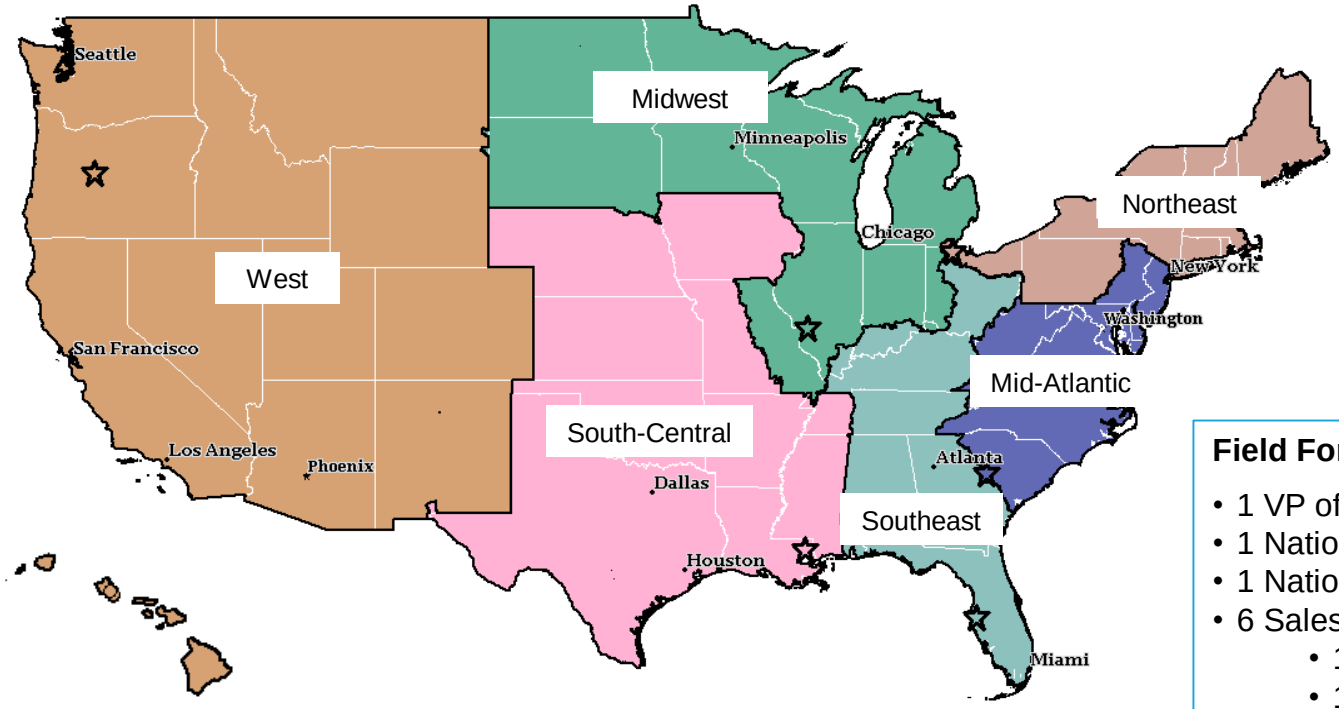
Support Functions (3 staff)

- Chief Compliance Officer / Legal ✓
- Accounting Manager/ Finance ✓

✓ Hired

★ Candidates recruited or in process

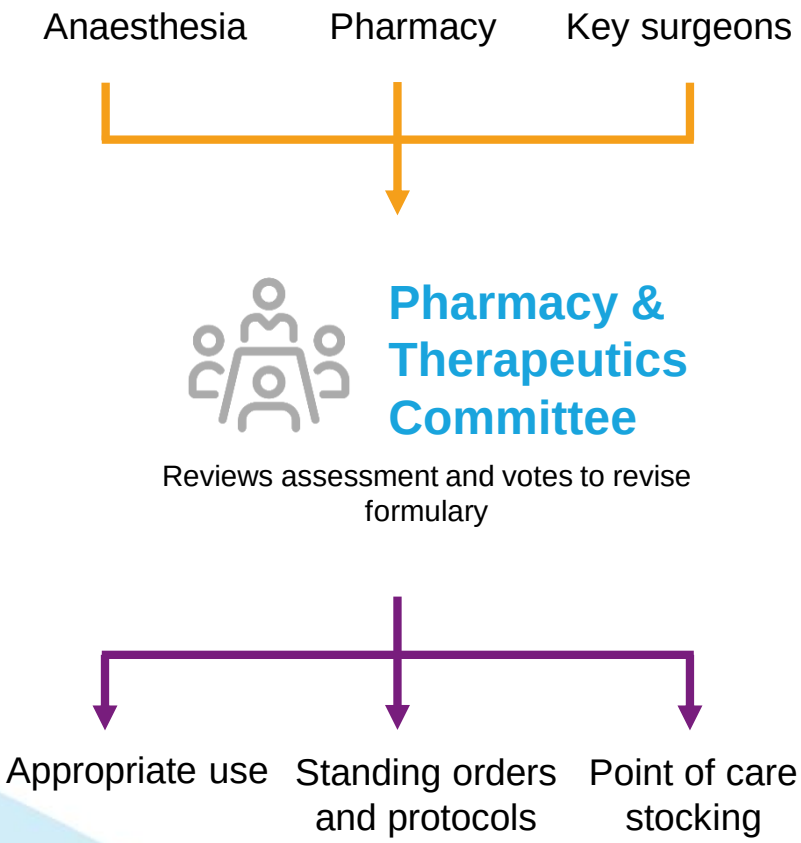
Planned US field force deployment



Field Force Design

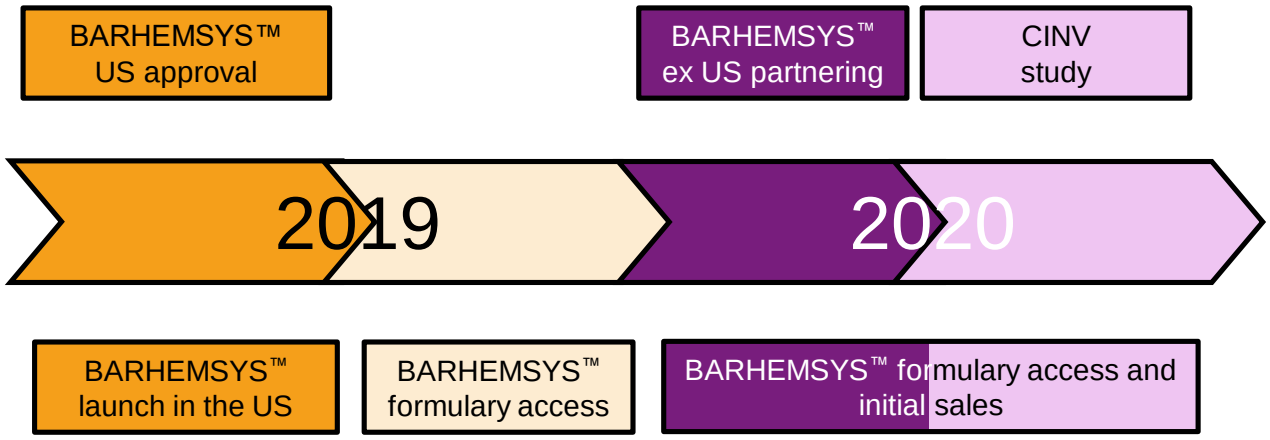
- 1 VP of Sales
- 1 National Accounts Group Leader
- 1 National MSL Group Leader
- 6 Sales Regions each with:
  - 1 RBD
  - 1 MSL
  - 1 National Account Director
  - 10 Hospital Territory Managers

Plan for formulary access and pull through



- Real unmet need
  - No drug approved for rescue treatment
- Paid for through capitated fixed fee for surgical procedure - “the DRG”
- Key to demonstrate pharmacoeconomic benefit
- Key to have appropriate restrictions on use
  - Use following failed standard of care
- Price for access on >80% of hospital formularies

Significant near-term news flow



* Timetable based on management current estimates. Subject to change.

Questions?