

Why do you build me up, biotech baby just to let me down and mess me around?

And then worst of all, you never get approval when you say you will.

There is nothing that causes investor whiplash more than a sudden announcement of an unsuccessful clinical trial. Whether you are the one-drug wonder on AIM or the multi-drug portfolio NASDAQ darling, the market never takes too kindly to unsavoury news from the FDA on clinical results.

But should investors lambast these two scenarios similarly based on poor trial results? The variables are endless but in this example the clear answer is no. Investors who invest in one-drug companies edging ever closer to FDA decision day do not have much cause for complaint as they are rolling the dice. But what of the company with many drug candidates in the clinic? Surely the usual knee-jerk reaction of a mass selloff is not rational when a company has a singular failure amongst a well-developed and advanced portfolio?

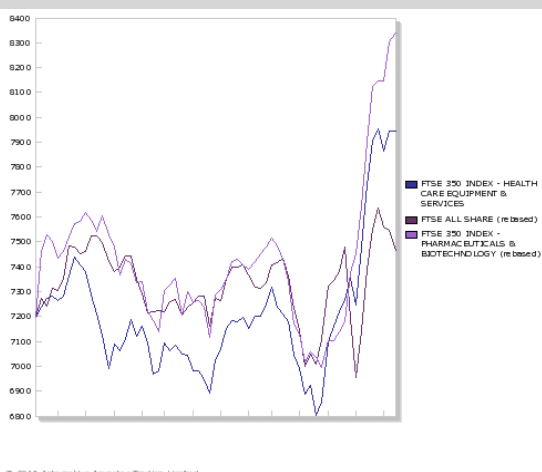
Our most recent staunch reminder of the reality of biotech investing came in the form of Circassia Pharmaceuticals (CIR.L) which plunged 64% on news that their cat allergy treatment displayed similar effects to the placebo. Circassia's current market cap is hovering around £270m, with their March 2014 IPO valuation of c£581m a distant memory. The first line of the RNS outlining the failed Phase III study in June 2016 stating "Primary endpoint not achieved" inevitably caused a rush for the door. However, their cat allergy programme is one of four allergies they focus on. Allergy immunotherapies form just one part of Circassia which also targets Asthma therapies and various COPD treatments. With so many shots on goal did one failed programme amongst such a diverse portfolio merit such a brutal share price reaction? Cornerstone investor Neil Woodford believed not and came out fighting; championing Circassia's balance sheet strength and diverse business model. It begs the question, is there ever anyway back to regain market trust after a clinical trial failure?

Medivation (NASDAQ:MDVN) went through this arduous journey and survived. Since the days of their 2010 Phase III Alzheimer's drug fail with Pfizer the company has rebounded to being in current talks with Sanofi over a \$10bn takeover. Sanofi is keen to strengthen their oncology presence by taking advantage of Medivation's world's best-selling prostate cancer drug. Such rebounds make recovery possible for companies experiencing recent disappointing trial data. Rare disease company, BELLUS Health (TSE:BLU) recently announced their lead drug KIACTA failed to meet its primary efficacy endpoint in a Phase III study. Shares were down c85% on the news, however with circa C\$9m of cash in the bank and other projects in the clinic, it can be argued this is another over-reaction to unsatisfactory drug trial news.

Clinical trial failure is the nature of the beast when investing in drug development companies. Such risk should be accepted and mitigated against by investing in many companies or those with a diversified portfolio. Fortunately, the allure of share price reactions going the other way when drugs are approved and deals are struck keeps investor interest.

Reviewed by Niall Pearson

For analyst certification and other important disclosures, refer to the Disclosure Section



Source: www.iii.co.uk

Index multiples

| FTSE 350 Pharma & Biotech | CY2016 | CY2017 |
|---------------------------|--------|--------|
| PE | 16.52 | 15.58 |
| P/Book | 4.49 | 4.95 |
| EV/Sales | 4.14 | 3.79 |
| EV/EBITDA | 11.97 | 10.88 |

| FTSE 350 Healthcare | CY2016 | CY2017 |
|---------------------|--------|--------|
| PE | 16.81 | 15.67 |
| P/Book | 4.25 | 4.57 |
| EV/Sales | 4.04 | 3.71 |
| EV/EBITDA | 12.07 | 10.97 |

| FTSE 350 Index | CY2016 | CY2017 |
|----------------|--------|--------|
| PE | 16.53 | 14.23 |
| P/Book | 1.74 | 1.69 |
| EV/Sales | 1.48 | 1.41 |
| EV/EBITDA | 9.29 | 8.28 |

Source: **Bloomberg**

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The Brexit effect on Pharma

At first glance, we all breathed a sigh of relief when the usual defensive nature of the pharma sector lived up to its reputation with companies such as AstraZeneca (AZN), GlaxoSmithKline (GSK) and Shire (SHP) escaping the Brexit bludgeoning of their FTSE peers shortly after the referendum result became known.

The relief was short lived when Steve Bates, CEO of the BioIndustry Association commented over the now uncertain future of the UK's prominence within the European medical sphere, raising the very worrying question as to whether leaving the EU will force the European Medicines Agency to find new lodgings on the continent, away from its current London home?

Such a possibility sends shudders across the pharma industry – what does this mean for UK companies when the regulation of drugs which is conducted by EU authorities and in turn would this have a knock on effect for vital funding to young biotechs? The UK's prominence in the global life science arena has always been one to be proud of; whether it be playing host to the best centres for innovation or being the home to many of the global pharma giants. Coincidentally, how many have chosen to set up shop here as a result of being right next door to the European Medicines Agency?

Mike Thompson, CEO of the Association of the British Pharmaceutical Industry commented on the potential threat of pharma companies favouring the EU over the UK based on the EU's significantly larger patient population. Such a move would be disastrous for the industry as companies could abandon the UK entirely based on the fragmented and uncertain relationship we now have with Europe.

Unfortunately, the future of the UK Pharma industry is put in the same bucket of uncertainty as the rest of the social and economic issues caused by the aftermath of Brexit. When an eventual taskforce and leadership is put in place to manage our divergence from the EU, and given the UK's position in the global pharma field, we would expect the topic to be very near the top of the list of priorities to sort.

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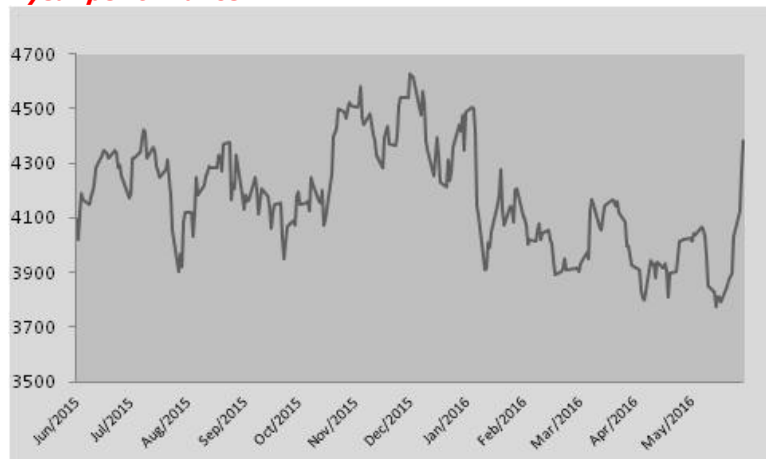
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1. Company Profiles

Priced week of 27 June 2016

1.1 AstraZeneca plc (AZN) 4308.50p £54.14bn

1 year performance



Source: *Fidessa*

Global pharma giant AstraZeneca is a research-based biopharmaceutical company which discovers novel drug candidates in the anti-infective area. On 23 March 2016, the company's key heart drug Brilinta, failed to pass the phase III clinical trial. With its large operation and wide product range, the stock performance was not negatively affected; the stock price went up from 3915p to 3952p, a 0.95% increase, on the day of the announcement. The company is traded at 4308.50p to date, up 10.05% since the trial failure.

Key Fundamentals

| Year Ending | Revenue (\$m) | Pre-tax (\$m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|---------------|---------------|---------|------|-------|-----------|---------|-------|
| 2011-12-31 | 33,591.00 | 12,367.00 | 728.00¢ | 6.4 | 0.7 | 8% | 280.00¢ | 6.1% |
| 2012-12-31 | 27,973.00 | 7,646.00 | 683.00¢ | 6.9 | -1.1 | -6% | 280.00¢ | 5.9% |
| 2013-12-31 | 25,711.00 | 3,267.00 | 505.00¢ | 11.7 | -0.4 | -26% | 280.00¢ | 4.7% |
| 2014-12-31 | 26,095.00 | 1,246.00 | 428.00¢ | 16.6 | -1.1 | -15% | 280.00¢ | 3.9% |
| 2015-12-31 | 23,641.00 | 3,069.00 | 426.00¢ | 16.0 | -34.2 | -0% | 280.00¢ | 4.1% |

Source: *www.digitallook.com*

Forecast

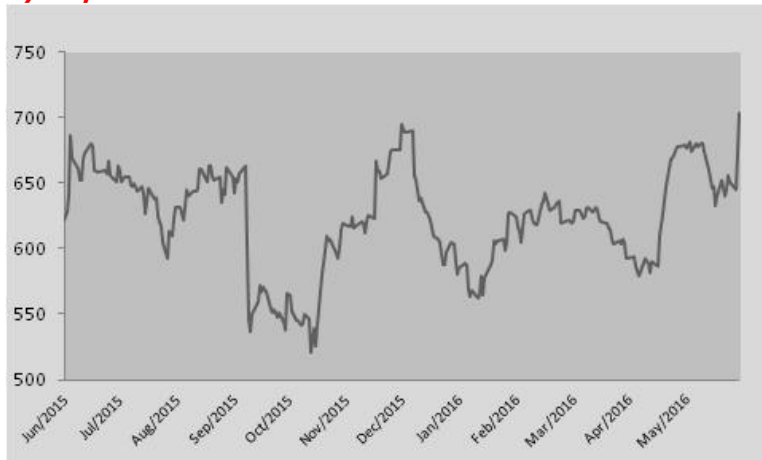
| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|------|-------|-----------|---------|-------|
| 2016-12-31 | 16,222.86 | 1,989.32 | 276.99p | 16.3 | -1.2 | -14% | 196.98p | 4.4% |
| 2017-12-31 | 15,941.61 | 2,042.74 | 275.06p | 16.6 | -23.8 | -1% | 195.87p | 4.4% |

Source: *www.digitallook.com*

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1.2 BTG plc (BTG) 700.50p £2.68bn

1 year performance



Source: Fidessa

BTG is an international specialist healthcare company that is developing and commercialising products targeting critical care, cancer and other disorders. The company has multiple approved and pipeline drugs. One of the candidates, CytoFab, a sepsis drug, failed to pass the phase IIb clinical trial on 8 Aug 2012. The stock price, however, went up by 1.48% from 338p upon announcement. The shares are 104% up since the failure.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|------|-----|-----------|-----|-------|
| 2012-03-31 | 197.00 | 23.00 | 11.40p | 29.3 | 0.0 | 1,040% | n/a | 0.0% |
| 2013-03-31 | 233.70 | 24.10 | 14.50p | 24.6 | 0.9 | 27% | n/a | 0.0% |
| 2014-03-31 | 290.50 | 33.30 | 14.50p | 37.4 | 0.0 | n/a | n/a | 0.0% |
| 2015-03-31 | 367.80 | 26.70 | 15.70p | 45.5 | 5.5 | 8% | n/a | 0.0% |
| 2016-03-31 | 447.50 | 57.50 | 21.90p | 28.4 | 0.7 | 39% | n/a | 0.0% |

Source: www.digitallook.com

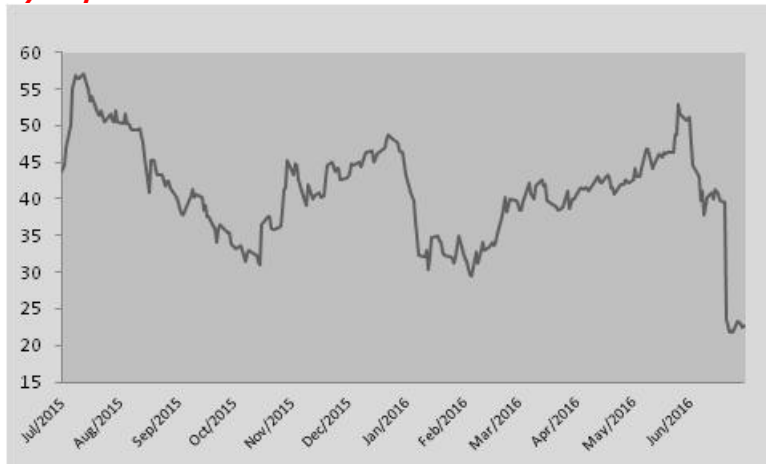
Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|------|-----|-----------|-------|-------|
| 2017-03-31 | 510.87 | 105.03 | 24.17p | 30.9 | 3.0 | 10% | 0.00p | 0.0% |
| 2018-03-31 | 605.83 | 146.70 | 31.94p | 23.8 | 0.7 | 32% | 0.00p | 0.0% |

Source: www.digitallook.com

1.3 Celyad (CYAD) EUR22.90 EUR213.28m

1 year performance



Source: Google Finance

Celyad, previously Cardio3 BioSciences, is a clinical-stage biopharmaceutical company focused on translating cell-based research into therapeutics to improve the outcome of severe diseases with high unmet medical needs such as heart failure and cancer. C-Cure CHART-1, a drug designed to produce new autologous heart muscle, did not meet the primary endpoint in its Phase III trial for a cell therapy against heart failure on 28 June 2016. The shares fell from EUR39.48 the day before to EUR23.52, a 40.23% drop. The company is now traded at EUR22.90.

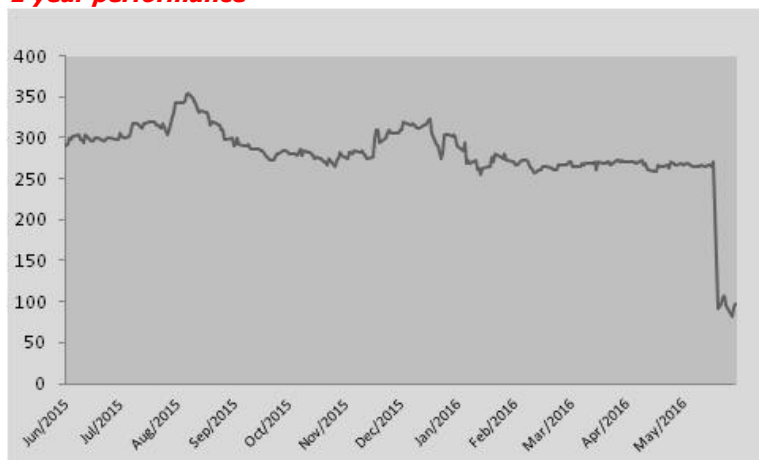
Key Fundamentals

| Year Ending | Revenue (EUR m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|-----------------|--------------|-------|-----|-----|-----------|-----|-------|
| 2013-12-31 | 0.00 | -12.3 | -3.53 | n/a | 0.0 | n/a | n/a | 0.0% |
| 2014-12-31 | 0.15 | -16.5 | -2.44 | n/a | 0.0 | n/a | n/a | 0.0% |
| 2015-12-31 | 0.00 | -29.1 | -3.43 | n/a | 0.0 | n/a | n/a | 0.0% |

Source: Celyad

1.4 Circassia Pharmaceuticals plc (CIR) 96.20p £274.06m

1 year performance



Source: Fidessa

Circassia is a specialty biopharmaceutical company developing a range of immunotherapies. The company has had two approved drugs to date: NIOX and Flixotide. Its lead cat allergy treatment Cat-SPIRE failed to show a benefit over placebo in a phase III trial on 20 June 2016. The news had a massive negative impact on the stock price – a whopping 66.33% decrease in the stock price on announcement, from 270.3p the day before to 91p. Since then the stock has traded in the 88p to 110p.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|-------|-----|-----------|-----|-------|
| 2014-12-31 | n/a | -44.00 | -21.00p | -13.3 | 0.0 | n/a | n/a | 0.0% |
| 2015-12-31 | 10.80 | -62.80 | -20.00p | -16.0 | 0.0 | n/a | n/a | 0.0% |

Source: www.digitallook.com

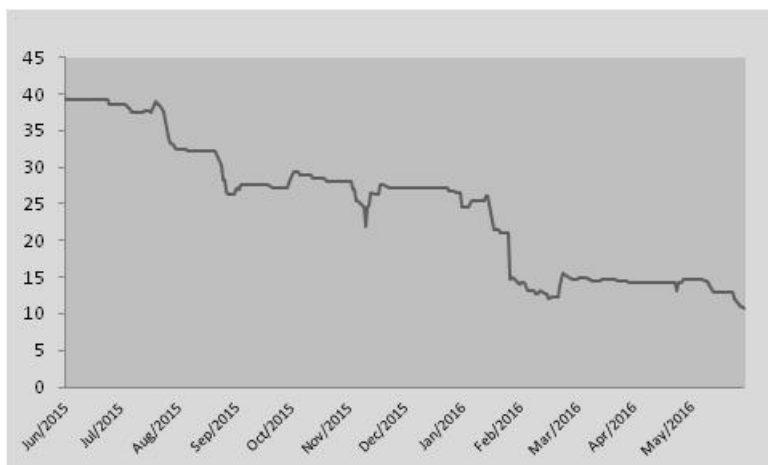
Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|-----|-----|-----------|-------|-------|
| 2016-12-31 | 24.58 | -75.94 | -22.29p | 0.0 | n/a | 0% | 0.00p | 0.0% |
| 2017-12-31 | 36.66 | -43.08 | -12.19p | 0.0 | n/a | 0% | 0.00p | 0.0% |

Source: www.digitallook.com

1.5 e-Therapeutics plc (ETX) 10.50p £28.84m

1 year performance



Source: Fidessa

Founded in 2003, e-Therapeutics is an Oxford-based drug discovery and development group focused on finding treatments for biocomplex diseases, including cancer and neurodegeneration. One of its two pipeline drugs ETS6103, a potential second-line therapy for patients with major depressive disorder, failed to meet the phase II primary endpoint regarding efficacy on 20 Feb 2016. The stock price fell by 17.31%, from 26.00p to 21.50p. It fell further to 14.74p four days later and has not been traded above 20p since.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|-------|-----|-----------|-----|-------|
| 2012-01-31 | n/a | -3.86 | -2.47p | -10.3 | 0.0 | n/a | n/a | 0.0% |
| 2013-01-31 | n/a | -5.02 | -3.02p | -10.8 | 0.0 | n/a | n/a | 0.0% |
| 2014-01-31 | n/a | -6.10 | -1.98p | -11.4 | 0.0 | n/a | n/a | 0.0% |
| 2015-01-31 | n/a | -9.82 | -2.94p | -10.5 | 0.0 | n/a | n/a | 0.0% |
| 2016-01-31 | n/a | -11.28 | -3.34p | -7.3 | 0.0 | n/a | n/a | 0.0% |

Source: www.digitallook.com

Forecast

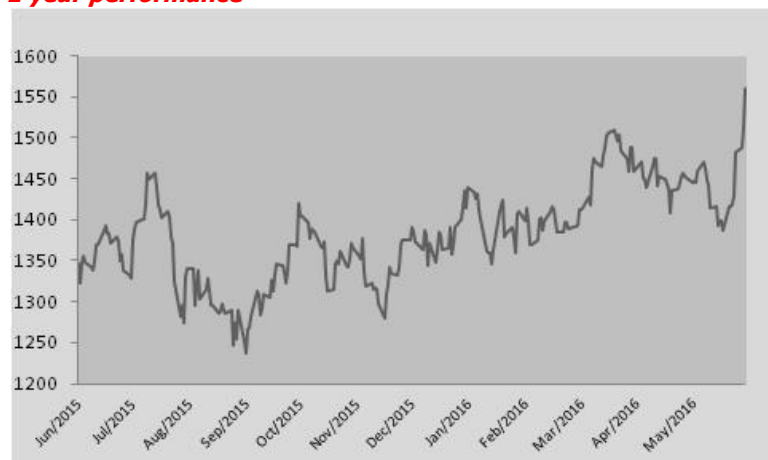
| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|-----|-----|-----------|-------|-------|
| 2017-01-31 | 0.00 | -12.73 | -3.60p | 0.0 | n/a | 0% | 0.00p | 0.0% |
| 2018-01-31 | 0.00 | -9.86 | -2.50p | 0.0 | n/a | 0% | 0.00p | 0.0% |

Source: www.digitallook.com

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1.6 GlaxoSmithKline (GSK) 1553.00p £75.66bn

1 year performance



Source: Fidessa

GSK was the world's sixth largest pharmaceutical company in 2015. The company has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. Breo, a new drug under the respiratory portfolio aimed at extending the life of people with chronic breathing difficulties, failed to show survival benefit in COPD as per the 9 September 2015 announcement. The stock price went down by 1.24% to 1312.50p on the day. The price fell further between Aug 2015 and Oct 2015, and has since rebounded. The company is traded at 1553.00p to date, 18.32% up since the trial failure.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|------|------|-----------|--------|-------|
| 2011-12-31 | 27,387.00 | 7,698.00 | 114.10p | 12.9 | 0.1 | 112% | 70.00p | 4.8% |
| 2012-12-31 | 26,431.00 | 6,600.00 | 111.40p | 12.0 | -5.1 | -2% | 74.00p | 5.5% |
| 2013-12-31 | 26,505.00 | 6,647.00 | 108.40p | 14.9 | -5.5 | -3% | 78.00p | 4.8% |
| 2014-12-31 | 23,006.00 | 2,968.00 | 95.40p | 14.4 | -1.2 | -12% | 80.00p | 5.8% |
| 2015-12-31 | 23,923.00 | 10,526.00 | 75.70p | 18.1 | -0.9 | -21% | 80.00p | 5.8% |

Source: www.digitallook.com

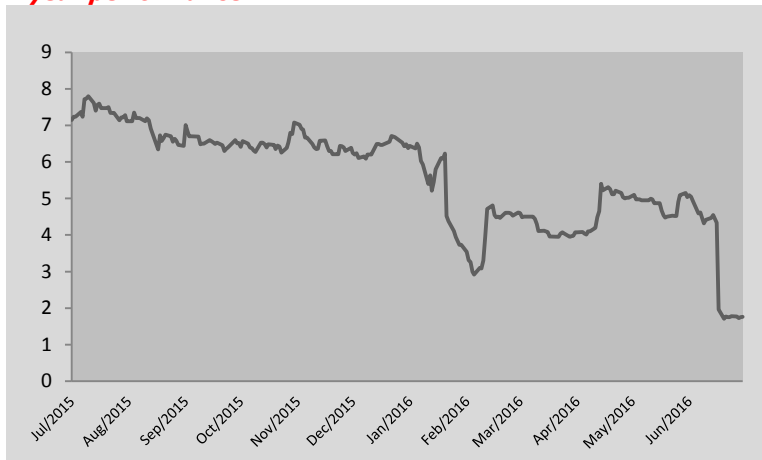
Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|------|-----|-----------|--------|-------|
| 2016-12-31 | 25,775.82 | 6,170.49 | 89.40p | 18.0 | 1.0 | 18% | 81.74p | 5.1% |
| 2017-12-31 | 26,636.42 | 6,438.89 | 93.13p | 17.2 | 4.1 | 4% | 79.95p | 5.0% |

Source: www.digitallook.com

1.7 Gentcel (GTCL) EUR1.76 EUR27.39m

1 year performance



Source: Google Finance

Gentcel is a clinical stage biotechnology company focused on the development of immunotherapies designed to fight infectious diseases such as HPV, and cancer. The company has developed a pipeline of therapeutic vaccines candidates for millions of HPV infected women. Their lead bivalent candidate, GTL001, as known as ProCervix, failed to meet the primary endpoint in the overall population at the 12 month point in the phase II clinical trial. (28 January 2016). The shares dropped 27.45% from EUR4.52, to EUR1.71. In June a further interim analysis of the Phase II trial showed no significant difference to placebo, and the shares took another hit. The shares are now traded at EUR1.76 and have not been traded above EUR6.00, which was the norm in 2015, since the failure.

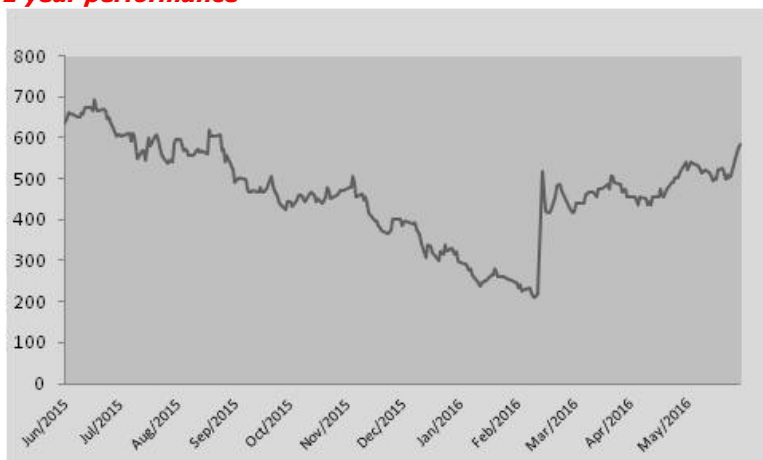
Key Fundamentals

| Year Ending | Revenue (EUR m) | Pre-tax (EUR m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|-----------------|-----------------|-------|-----|------|-----------|-----|-------|
| 2013-12-31 | 0.00 | -16.87 | -1.74 | n/a | 0.00 | n/a | n/a | 0.00% |
| 2014-12-31 | 0.00 | -12.12 | -0.78 | n/a | 0.00 | n/a | n/a | 0.00% |
| 2015-12-31 | 0.00 | -13.55 | -0.87 | n/a | 0.00 | n/a | n/a | 0.00% |

Source: Gentcel

1.8 GW Pharmaceuticals (GWP) 587.00p £1.54bn

1 year performance



Source: Fidessa

GW, founded in 1998, is developing a portfolio of cannabinoid medicines for the treatment of childhood epilepsy. **Sativex**, which is approved for the treatment of spasticity due to multiple sclerosis, failed to pass phase III efficacy clinical trial for cancer pain on 27 Oct 2015. The stock price went down 1.51% from 429.75p. As of today, the company is traded at 587.00p, 36.59% up from the trial failure, mainly due to a surge on 14 March 2016 driven by a positive phase III result with Epidiolex, another cannabinoid therapy to reduce in seizures in otherwise treatment-resistant children.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|-------|------|-----------|-----|-------|
| 2011-09-30 | 29.63 | 2.53 | 2.10p | 46.7 | -1.1 | -42% | n/a | 0.0% |
| 2012-09-30 | 33.12 | 1.24 | 1.90p | 39.5 | -4.1 | -10% | n/a | 0.0% |
| 2013-09-30 | 27.30 | -10.36 | -3.00p | -29.0 | 0.0 | n/a | n/a | 0.0% |
| 2014-09-30 | 30.05 | -19.57 | -7.00p | -62.3 | 0.0 | n/a | n/a | 0.0% |
| 2015-09-30 | 28.54 | -57.06 | -18.10p | -27.6 | 0.0 | n/a | n/a | 0.0% |

Source: www.digitallook.com

Forecast

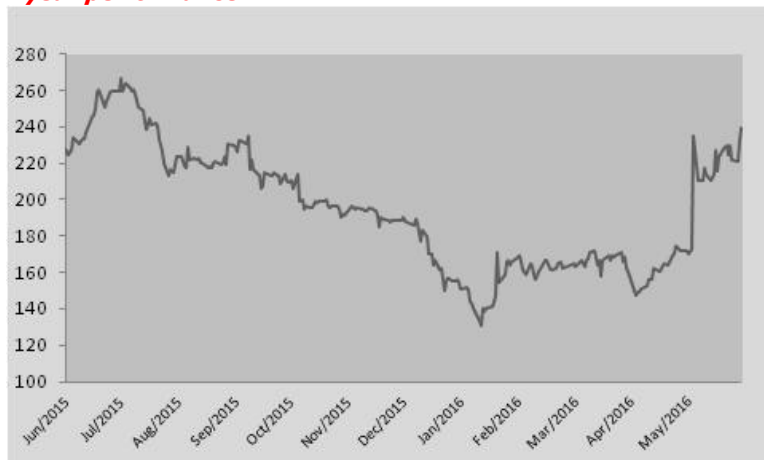
| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|-----|-----|-----------|-------|-------|
| 2016-09-30 | 10.15 | -100.00 | -32.85p | 0.0 | n/a | 0% | 0.00p | 0.0% |
| 2017-09-30 | 18.51 | -118.51 | -40.14p | 0.0 | n/a | 0% | 0.00p | 0.0% |

Source: www.digitallook.com

HYBRIDAN

1.9 Indivior plc (INDV) 238.30p £1.71bn

1 year performance



Source: Fidessa

Indivior was spun off from Nurofen owner Reckitt Benckiser in 2014, and specialises in addiction treatment with 20 years of experience, focusing on opioid addiction treatment. The company terminated the R&D of RBP-6300, after the phase I trial failure on 28 Apr 2016. The stock price fell 3.80% from 168.4p. The company is now traded at 238.30, after a recent 36% surge in May, fuelled by the dispute win against rivals seeking to replicate its heroin substitute.

Key Fundamentals

| Year Ending | Revenue (\$m) | Pre-tax (\$m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|---------------|---------------|--------|-----|------|-----------|--------|-------|
| 2014-12-31 | 1,115.00 | 561.00 | 58.00¢ | 4.0 | 0.0 | n/a | n/a | 0.0% |
| 2015-12-31 | 1,014.00 | 285.00 | 34.00¢ | 8.1 | -0.2 | -41% | 12.70¢ | 4.6% |

Source: www.digitallook.com

Forecast

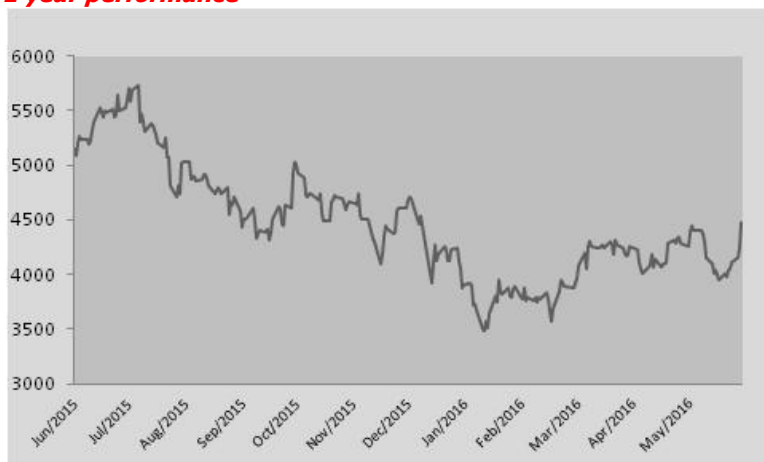
| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|------|------|-----------|-------|-------|
| 2016-12-31 | 683.95 | 174.76 | 17.59p | 13.9 | -0.4 | -31% | 0.91p | 0.4% |
| 2017-12-31 | 634.33 | 140.38 | 14.69p | 17.8 | -1.1 | -16% | 0.00p | 0.0% |

Source: www.digitallook.com

HYBRIDAN

1.10 Shire plc (SHP) 4511.00p £40.28bn

1 year performance



Source: Fidessa

Shire is a global biotechnology company focused on rare diseases and highly specialised conditions. The company operates across the patient care business, and drug R&D. Vyvanse, which was originally designed to treat ADHD, failed in a phase III depression trial. The price went down by a relatively modest 0.82% from 3043p to 3018p on the trading day after the announcement. It is now traded at 4511p, 49.46% up since the trial failure.

Key Fundamentals

| Year Ending | Revenue (\$m) | Pre-tax (\$m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|---------------|---------------|---------|------|------|-----------|--------|-------|
| 2011-12-31 | 4,263.40 | 1,092.60 | 156.90¢ | 22.2 | 0.5 | 46% | 15.07¢ | 0.4% |
| 2012-12-31 | 4,527.40 | 1,008.80 | 145.10¢ | 21.1 | -2.8 | -8% | 17.33¢ | 0.6% |
| 2013-12-31 | 4,934.30 | 1,697.50 | 257.20¢ | 18.4 | 0.2 | 77% | 19.93¢ | 0.4% |
| 2014-12-31 | 6,022.10 | 3,338.90 | 559.60¢ | 12.6 | 0.1 | 118% | 22.92¢ | 0.3% |
| 2015-12-31 | 6,416.70 | 1,383.60 | 226.50¢ | 30.6 | -0.5 | -60% | 26.37¢ | 0.4% |

Source: www.digitallook.com

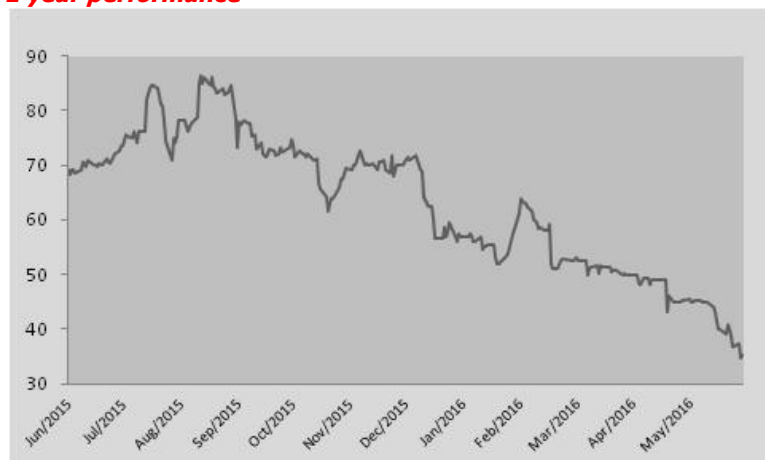
Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|---------|------|-----|-----------|--------|-------|
| 2016-12-31 | 7,634.60 | 2,649.71 | 302.08p | 15.6 | 0.2 | 77% | 20.90p | 0.4% |
| 2017-12-31 | 10,297.34 | 3,565.53 | 353.24p | 13.4 | 0.8 | 17% | 25.23p | 0.5% |

Source: www.digitallook.com

1.11 Vernalis plc (VER) 32.30p £169.89m

1 year performance



Source: Fidessa

Vernalis is a small cap, commercial stage pharmaceutical company with three marketed products. The company has two businesses: i) US-based commercial business focussed on the US prescription cough cold market; ii) UK-based drug discovery and development activities. On 24 March 2010, V3381, also known as Indantadol, failed a phase IIb clinical trial for diabetes-related neuropathic pain, and has recently announced the death of that particular development programme after another batch of disappointing data. The stock price slumped 17.51% from 74p on the day of announcement and fell further to 33.25p on the 31 March. The price picked up in 2014 due to some milestone achievements. For instance the oncology drug discovery collaborations in August triggered a payment of €0.75m to the company, but the shares have since fallen again. Vernalis is now traded at 32.30p, down 47.05% since the clinical failure.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|-------|-----|-----------|-----|-------|
| 2011-12-31 | 12.16 | -10.61 | -6.50p | -3.0 | 0.0 | n/a | n/a | 0.0% |
| 2012-12-31 | 14.62 | -6.84 | -1.40p | -16.3 | 0.0 | n/a | n/a | 0.0% |
| 2013-12-31 | 14.08 | -6.27 | -1.30p | -28.5 | 0.0 | n/a | n/a | 0.0% |
| 2015-06-30 | 19.88 | -9.26 | -1.00p | -68.1 | 0.0 | n/a | n/a | 0.0% |

Source: www.digitallook.com

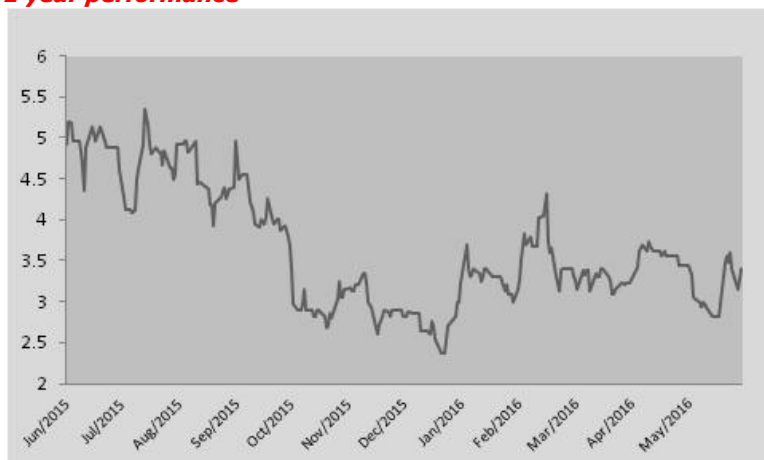
Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|-----|-----|-----------|-------|-------|
| 2016-06-30 | 11.64 | -27.47 | -5.56p | 0.0 | n/a | 0% | 0.00p | 0.0% |
| 2017-06-30 | 19.81 | -25.48 | -4.64p | 0.0 | n/a | 0% | 0.00p | 0.0% |

Source: www.digitallook.com

1.12 Verona Pharma plc (VRP) 3.27p £34.34m

1 year performance



Source: Fidessa

Verona Pharma is a UK-based clinical stage biopharmaceutical company focused on the development of innovative prescription medicines to treat respiratory diseases with significant unmet medical needs, such as COPD, asthma and cystic fibrosis, and has 4 drugs in its pipeline. The company terminated R&D on VRP700 on 23 June 2014 after the release of clinical trial results. It said the trial to evaluate the efficacy of a single dose of VRP700 novel treatment for chronic severe cough did not meet the phase IIa primary endpoint of a statistically significant reduction in cough frequency when compared to placebo. The stock price fell from 2.08p to 1.4p, a 32.52% fall. The shares recovered in 2015, and are now traded at 3.27p.

Key Fundamentals

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|------|-----|-----------|-----|-------|
| 2011-12-31 | n/a | -1.84 | -0.68p | -7.2 | 0.0 | n/a | n/a | 0.0% |
| 2012-12-31 | n/a | -2.57 | -0.79p | -5.0 | 0.0 | n/a | n/a | 0.0% |
| 2013-12-31 | n/a | -2.81 | -0.71p | -5.6 | 0.0 | n/a | n/a | 0.0% |
| 2014-12-31 | n/a | -3.76 | -0.32p | -3.8 | 0.0 | n/a | n/a | 0.0% |
| 2015-12-31 | n/a | -8.93 | -0.73p | -3.9 | 0.0 | n/a | n/a | 0.0% |

Source: www.digitallook.com

Forecast

| Year Ending | Revenue (£m) | Pre-tax (£m) | EPS | P/E | PEG | EPS Grth. | Div | Yield |
|-------------|--------------|--------------|--------|-----|-----|-----------|-------|-------|
| 2016-12-31 | 0.00 | -9.42 | -0.75p | 0.0 | n/a | 0% | 0.00p | 0.0% |
| 2017-12-31 | 0.00 | -13.41 | -0.72p | 0.0 | n/a | 0% | 0.00p | 0.0% |

Source: www.digitallook.com

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