Gordon Naylor
President, Seqirus

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Global
• Influenza

Australia/New Zealand
• In-licensing
• Immunohaematology
• Products of national significance: Q-fever vaccine and anti-venoms
• Contract logistics – divestment to Toll Australia
Global Influenza Industry

- ~$6b global market
- Significant unmet need
  - Burden of seasonal influenza remains high
  - In the event of a pandemic, global demand will vastly outstrip supply
  - Standard flu vaccine is less effective in the most vulnerable – elderly and young children

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**Seqirus** is the global #2 producer of influenza vaccines and a partner to Governments around the world in preparing for influenza pandemics.
Epidemic (seasonal) vs Pandemic Influenza

ANTIGENIC DRIFT

Small/gradual mutation

Epidemic (seasonal)

ANTIGENIC SHIFT

Major / sudden mutation

Pandemic (occasional)
Burden of Seasonal Influenza remains High

Each year, influenza related illness:

• Attacks 5%–10% of adults and 20-30% of children globally\(^1\)
• Causes 3 million – 5 million cases of severe illness\(^1\)
• Causes up to 500,000 deaths annually\(^1\)
• All countries are affected
• Significant economic costs:
  Medical care and lost labour in the US alone costs up to USD $17bn annually

Northern hemisphere
Influenza peak: November–March

Tropics
Year-round activity

Southern hemisphere
Influenza peak: April–September

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Pandemic Preparedness

4 flu pandemics in last century

Next pandemic is a question of ‘when’ not ‘if’

<table>
<thead>
<tr>
<th>Pandemic</th>
<th>Year</th>
<th>~Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spanish flu</td>
<td>1918</td>
<td>50m</td>
</tr>
<tr>
<td>Asian flu</td>
<td>1957</td>
<td>2m</td>
</tr>
<tr>
<td>Hong Kong flu</td>
<td>1968</td>
<td>1m</td>
</tr>
<tr>
<td>Swine flu</td>
<td>2009</td>
<td>0.3m</td>
</tr>
</tbody>
</table>

In the event of a pandemic, global demand is likely to vastly outstrip supply
Vaccine Effectiveness vs Vulnerability

*Standard flu vaccines are less effective in those most at risk*

**Age-related Hospitalizations and Vaccine Efficacy Rates**

- **Vaccine (TIV) efficacy**
- **Hospitalization rate**

Seqirus Competitive Advantages

Industry leading seasonal product portfolio

- Quadrivalents launched in 2016
- Fluad® – world’s only adjuvanted seasonal flu vaccine
- Broad age indications – generally targeting 6m+
- Egg and cell-based manufacturing technologies
- Commitment to ongoing innovation

Pre-pandemic

- Partner of choice for many Governments around the world
- Significant pandemic surge capacity
- MF59 adjuvant, enabling more potent vaccines with unparalleled safety profile

Global scale and focus on efficiency

- Global commercial capability
- Three centres of excellence for antigen manufacture, supported by global fill and finish capability
- Early and reliable supply
- Focus on efficiency – enables competitive pricing and drives volumes
Global Seasonal Product Strategy

- **Egg-based**
- Trivalent and quadrivalent formulations
- Currently 5y+ indication; targeting 6m+

- **Cell-based**
- Quadrivalent
- Currently 4y+ indication; targeting 2y+

- Improved vaccine for at-risk populations
- Egg-based, adjuvanted with MF59
- Trivalent; quadrivalent in development
- Currently 65y+ indication
- Targeting paediatric indication
Manufacturing Sites and Commercial Presence

Liverpool
- Egg-based influenza vaccine
- Future site for MF59, fill & finish

Holly Springs
- Largest cell culture derived flu vaccine facility in the world
- MF59 production and fill & finish

Parkville
- Egg-based influenza vaccine
- Seed reassortment
- Fill & finish
- World’s only manufacturer of Q-Fever vaccine, and a manufacturer of antivenoms for human use

Commercial presence in ~20 countries
In Australia and NZ, Seqirus augments its core flu vaccine with a comprehensive In-Licensed Vaccine & Pharmaceutical Portfolio

<table>
<thead>
<tr>
<th>Vaccine Partners</th>
<th>Products</th>
<th>Pharma Partners</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MERCK</strong></td>
<td>Zostavax, Gardasil, Pneumovax23, RotaTeq, ProQuad, Varivax, MMR II, Vaqta, H-B-Vax II,</td>
<td><strong>Pain</strong></td>
<td>Grünenthal</td>
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<tr>
<td><strong>valneva</strong></td>
<td>Dukoral Jespect</td>
<td><strong>Antibiotics</strong></td>
<td>Leo</td>
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<tr>
<td><strong>PaxVax</strong></td>
<td>Vivotif Oral</td>
<td><strong>CNS</strong></td>
<td>Valeant</td>
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<td><strong>STATENS SERUM INSTITUT</strong></td>
<td>ADT Booster</td>
<td><strong>Allergy therapeutics</strong></td>
<td>Abelló</td>
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<td><strong>Seqirus</strong></td>
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<td>Seqirus</td>
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# Path to Profitability

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY18</th>
<th>FY20</th>
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<tbody>
<tr>
<td>Acquisition</td>
<td>Breakeven</td>
<td>Revenue US$1bn; 20% EBIT</td>
</tr>
</tbody>
</table>

- Organisational redesign
- Integrated processes
- New name and headquarters
- Culture change

- Full-year impact of product launches
  - Flucelvax® QIV
  - Afluria® QIV
  - Fluad®
- Optimise R&D spend
- New information systems
- Exit transitional services agreements

- Deliver on Holly Springs
  - Step change in output
  - Drive efficiency
- Optimise product portfolio
  - Fluad® growth
  - TIV to QIV
- Fill and finish facility at Liverpool
In Summary: On track to meet our growth targets

• Integration is substantially complete – remaining project to establish IT platform to complete in FY18
• Transition of portfolio to quadrivalent and Fluad® will drive a material increase in value per dose
• R&D spend on downward trajectory while operational efficiency improves, particularly at Holly Springs
• Ongoing commitment to innovation to deliver sustainable growth