

- Delivering our pipeline through licensing opportunities
- Increasing our novel product pipeline
- Development Spend: £25.1m New Products in Development: 19

Dechra's pipeline is, and will remain, one of the key organic strategic growth drivers. It is important that the pipeline is the correct scale with a complementary portfolio of novel and generic products to reflect the current size of the business, enabling it to continue to make a meaningful contribution in the future. We have therefore invested additional time and effort over the last few years licensing new technologies to strengthen our in-house development capabilities. We have a business development group that screens products developed by outside innovators to determine the suitability and quality of the science and the strategic fit with our core therapeutic areas. This group attends external meetings and conferences to keep up-to-date with current cutting edge science and to meet with biotechnology companies, human pharmaceutical companies and educational establishments to propose Dechra as a future partner. Over the last two years we have been very successful in securing numerous agreements, the most significant of which are outlined below:

- A liquid formulation of pimobendan, a cardiovascular treatment for dogs. The new product was recently approved in 23 EU territories. Dechra will be responsible for the marketing and distribution and will sell the product under the Cardisure trademark;
- With a goal to help reduce the development of antimicrobial resistance in food animals, Dechra has been evaluating alternative therapies for prevention of disease in pigs and chickens. In the last year, we have entered into multiple agreements to evaluate new vaccine technologies against viral and bacterial diseases in pigs. By preventing the diseases there will be less use of prophylactic and therapeutic antimicrobials. Proof of concept studies are ongoing with these vaccines;
- We have entered into agreements to evaluate two products for equine lameness. One product, licensed from Glasgow University, is still in the proof of concept phase; the other, licensed from Anzac, is in full development. Both will contribute to our position as a market leader in equine medicine. Additionally, we are evaluating an equine ulcer treatment;
- One of our most recent licensing deals is with Vetcare Ltd for a patented canine sedative. This novel combination product provides greater cardiovascular safety as compared to other products of a similar class. The development programme is complete, and with our licensing partner, Vetcare, we expect to launch the new sedative into the first market in early 2021 with other territories to follow;
- As global market leaders in endocrinology, we have been looking for several years to complete the portfolio with the inclusion of insulin products for dogs and cats. Post the year-end, we are delighted to have completed a significant agreement with Akston Biosciences who have developed a unique version of insulin with a sustained duration of activity. If we are able to prove that we can deliver a weekly injection, as opposed to the current insulin products for dogs and cats that are daily, it will become one of Dechra's most significant products in its portfolio. Studies are ongoing to further prove the concept and to optimise dosing options prior to moving the product into full development.