Accelerating our priorities and building our capabilities in Oncology

GSK to acquire TESARO

3 December 2018
Cautionary statements

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A number of adjusted measures are used to report the performance of our business, which are non IFRS measures. These measures are defined and reconciliations to the nearest IFRS measure are available in our third quarter 2018 earnings release and Annual Report on Form 20-F for FY 2017.

All expectations and targets regarding future performance should be read together with “Assumptions related to 2018 guidance and 2016-2020 outlook” on page 38 of our third quarter 2018 earnings release.

This communication is neither an offer to purchase nor a solicitation of an offer to sell securities. The tender offer for the outstanding shares of TESARO’s (the “Company”) common stock described in this communication has not commenced. At the time the tender offer is commenced, Adriatic Acquisition Corporation and GlaxoSmithKline plc will file, or will cause to be filed, a Schedule TO Tender Offer Statement with the Securities and Exchange Commission (the “SEC”), and the Company will file a Schedule 14D-9 Solicitation/Recommendation Statement with the SEC, in each case with respect to the tender offer. The Schedule TO Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Schedule 14D-9 Solicitation/Recommendation Statement will contain important information that should be read carefully before any decision is made with respect to the tender offer. Those materials will be made available to the Company’s stockholders at no expense to them by the information agent for the tender offer, which will be announced. In addition, those materials and all other documents filed by, or caused to be filed by, Adriatic Acquisition Corporation and GlaxoSmithKline plc with the SEC will be available at no charge on the SEC’s website at www.sec.gov.
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<td>Accelerating our Oncology capabilities</td>
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Delivering on our strategic and capital allocation priorities

Innovation
Performance
Trust
The proposed transaction will present a compelling opportunity to deliver long term sustainable growth

**Strengthen**

**Oncology pipeline**

- Near term catalyst in Zejula in:
  - First line maintenance treatment of ovarian cancer beyond gBRCA mutation population
  - Additional tumour types
- Further optionality from early stage pipeline and immuno-oncology asset combinations

**Accelerates build**

**of Oncology capabilities**

- Existing commercial asset: Zejula in second line maintenance of platinum sensitive ovarian cancer
- New US and European commercial footprint in oncology, with medical/customer functions
- Boston-based R&D team, to support GSK’s recruitment of world-class scientists and biotech collaborators

**gBRCA:** germline BReast CAncer susceptibility gene

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PARP inhibitors: wider application than has been appreciated

PARP Inhibitors: The First Synthetic Lethal Targeted Therapy
Christopher J. Lord and Alan Ashworth

- PARP inhibitors have transformed the treatment of ovarian cancer
- Prior to the publication of TESARO’s NOVA study, PARP inhibitors were thought to only benefit patients with \(gBRCA\)
- Evidence is mounting that suggest there is a significant opportunity to help many more patients (HRD positive – and potentially “all comers”) – in the first line maintenance (1LM) setting

High grade serous ovarian cancer*:

- **gBRCA** (15%)
- **non-gBRCA HRD-** (50%)
- **non-gBRCA HRD+** (35%)

* As per Myriad test – HRD+ percentage may be higher

PARP: poly ADP-ribose polymerase; HRD: homologous recombination deficiency
NOVA study: designed to assess outcomes in distinct biomarker populations

Patients were prospectively assigned to two cohorts based on their hereditary gBRCA mutation status and then randomised 2:1 within each cohort

Patients with recurrent ovarian, fallopian tube, or primary peritoneal cancer receiving minimum of 4 cycles of platinum-based chemotherapy

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Carry gBRCAmut (n=203)  
CR or PR

Do not carry gBRCAmut (n=350)  
BRCA TEST

Carry gBRCAmut (n=203)  
CR or PR

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BRCA TEST

Tumours of patients randomised to the non-gBRCA mutation cohort were tested for the presence of homologous recombination deficiency


*PFS efficacy analysis was based on a blinded central independent radiologic and clinical oncology review committee  
CR = complete response; gBRCA = germline breast cancer susceptibility gene; gBRCAmut = gBRCA mutation;  
PFS = progression-free survival; PR = partial response; R = randomised
NOVA study shows efficacy beyond *gBRCA*

Activity in HRD negative patients suggests tests do not currently recognise all HRD positive patients *or* additional mechanisms are at play

Niraparib Maintenance Therapy in Platinum-Sensitive, Recurrent Ovarian Cancer

*N Engl J Med* 375;22  NEJM.org  December 1, 2016

### gBRCA mutation

- **A** Germline *BRCA* Mutation
  - Hazard ratio: 0.27 (95% CI: 0.17–0.41)
  - *P*-value: <0.001
  - HR: 0.27

### Non-gBRCA mutation

- **B** No Germline *BRCA* Mutation with HRD Positivity
  - Hazard ratio: 0.38 (95% CI: 0.24–0.59)
  - *P*-value: <0.001
  - HR: 0.38

### Non-gBRCA mutation, HRD positive

- **C** No Germline *BRCA* Mutation
  - Hazard ratio: 0.45 (95% CI: 0.34–0.61)
  - *P*-value: <0.001
  - HR: 0.45

### HRD negative

- **C** Progression-free Survival (%) vs. Placebo
  - Hazard ratio: 0.58 (95% CI: 0.36–0.92)
  - *P*-value: 0.02
  - HR: 0.58
### Monotherapy versus combination therapy in 1LM

Competing approaches to the “all comers” opportunity

<table>
<thead>
<tr>
<th>PRIMA study evaluating Zejula monotherapy in “all comers”</th>
<th>PAOLA-1 study evaluating Lynparza in combination with Avastin in “all comers”</th>
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<tr>
<td>– Potential for broad “all comers” or HRD+ label based on inclusion criteria for PRIMA:</td>
<td>– Avastin currently approved for use in 1LM ovarian cancer but benefits are limited, AEs significant, and uptake has been low</td>
</tr>
<tr>
<td>– All comers with primary endpoint segregated by HRD status (of which HRD+ represents 50% of patients)</td>
<td>– Primary endpoint stratified by response to first line treatment and gBRCA status</td>
</tr>
<tr>
<td>– Interim safety data at ESMO showed starting dose of 200mg meaningfully reduced AEs without impact on efficacy</td>
<td>– Daily oral Lynparza, twice daily dosing, with Avastin infusion every 3 weeks</td>
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<tr>
<td>– Daily oral therapy, once a day dosing</td>
<td>– Data expected 2H 2019</td>
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<td>– Data expected 2H 2019</td>
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HRD status likely to identify non-gBRCA patients who will benefit from PARP inhibitors
Potential to expand the number of patients by 3x

Commericaly available test for HRD is available from Myriad Genetics

Assesses for BRCA 1 and BRCA 2 status, as well as 3 biomarkers associated with HRD - LOH (loss of heterozygosity), LST (large-scale state transitions), and TAI (telomeric allelic imbalance).

Very few patients tested for HRD today

We anticipate a shift from gBRCA testing today to HRD testing in the future as data supports use of PARP inhibitors in HRD positive patients

Scope for improvement as current HRD test likely does not capture all potential HRD patients

BRCA1/2 mutation

Inability to repair DNA

Genomic instability

Other genetic mutations

Promoter methylation

unidentified causes
HRD testing could enable further development opportunities for Zejula

Pan-cancer analysis of genomic scar signatures associated with homologous recombination deficiency suggests novel indications for existing cancer drugs


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<th>Mono/combo therapy</th>
<th>Indication</th>
<th>Study</th>
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<td>Zejula monotherapy</td>
<td>Ovarian cancer 1LM</td>
<td>PRIMA</td>
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<tr>
<td>Zejula plus anti PD-1 mAb</td>
<td>Ovarian cancer 1LM</td>
<td>FIRST</td>
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<tr>
<td>Zejula plus anti PD-1 mAb or Zejula monotherapy</td>
<td>NSCLC, SSCL</td>
<td>JASPER</td>
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<tr>
<td>Zejula plus Avastin</td>
<td>Ovarian cancer 1LM</td>
<td>OVARIO</td>
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<tr>
<td>Zejula plus Avastin</td>
<td>Recurrent ovarian cancer</td>
<td>AVANOVA</td>
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<tr>
<td>Zejula plus Keytruda</td>
<td>Triple negative breast cancer or ovarian cancer</td>
<td>TOPACIO</td>
</tr>
<tr>
<td>Zejula monotherapy</td>
<td>Metastatic castration resistant prostate cancer</td>
<td>GALAHAD*</td>
</tr>
<tr>
<td>Zejula plus chemo</td>
<td>Ewing’s sarcoma</td>
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* Study conducted by partner Janssen: royalties and milestones payable on sales and development milestones
## Additional pipeline assets will provide upside potential

Complementary to existing GSK assets with potential for development of combinations

### Dostarlimab: a potentially differentiated anti PD-1

- **GARNET registration trial** ongoing in MSI-H tumours; encouraging data presented at ESMO 2018
- BLA planned for 2L treatment of endometrial cancer planned by end 2019
- Combination study with ZEJULA underway in ovarian cancer
- Combination studies in breast and NCSLC planned

### TSR-022: anti TIM-3 antibody

- TIM-3 (T-cell immunoglobulin and mucin domain-3) functions as a pattern recognition receptor that dampens the anti-tumour immune response
- Phase 2 AMBER study in combination with TSR-042 ongoing
- Potential for use in treatment of NSCLC
- Early data: dose response indicative of activity

### TSR-033: anti LAG-3 antibody

- Anti-LAG-3 antibody under investigation for various tumour types
- CITRINO study in multiple tumour types ongoing

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Dostarlimab: previously known as TSR-042
MSI-H: microsatellite instability high; BLA: biologics license application; NSCLC: non small cell lung cancer
Zejula well positioned in an evolving market

Treatment paradigms in ovarian cancer are evolving

- Increased use of maintenance therapy
- PARP monotherapy to dominate 1L gBRCA ovarian cancer maintenance
- Increased use of PARP monotherapy in non-gBRCA patients who test positive for HRD
- In non-gBRCA patients who test negative for HRD we expect use of either PARP monotherapy or PARP in combination with bevacizumab

Zejula well positioned to take advantage of these trends

- Leading position in the 2LM ovarian cancer market
- First PARP to have monotherapy data for 1LM market beyond gBRCA population (PRIMA)
- Data from ongoing OVARIO study in combination with bevacizumab for 1LM
- Existing data from NOVA and QUADRA studies supports broader use beyond gBRCA
Ovarian cancer opportunity offers significant potential

Data over next 12 months supports broader use across the market

Source: Kantar Health 2017 & GSK analysis
Well positioned in a competitive market

We expect Zejula to lead in 1LM monotherapy and as PD-1 combo in “all comers”
The proposed transaction will accelerate GSK’s oncology presence

Leading PARP inhibitor for ovarian cancer

Leading position in 2nd line maintenance therapy of ovarian cancer
OC market evolving rapidly

Immediate Oncology infrastructure

Solid tumour field force, with ~250 sales representatives in US and major EU markets
Oncology focused infrastructure (eg regulatory, payer management)

Complements ongoing GSK build in oncology

Catalyst for broader change
Lifecycle combinations eg ICOS
Talent acquisition
## Transaction details

<table>
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<th>Consideration</th>
<th>Purchase price: $75 per share. Aggregate consideration of $5.1bn (£4.0bn) Represents 110% premium to TESARO’s 30 day VWAP ($35.67)</th>
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| Financial impact | Expected to impact Adjusted EPS for the first two years by mid to high single digit percentages  
• 2020 Pharma operating margin impacted by ~300 bps  
Expected to start to be accretive to Adjusted EPS by 2022  
CFROI above cost of capital by 2023  
Now expect Adjusted EPS growth at CER for the period 2016-2020 to be at the bottom end of the mid to high single digit percentage CAGR range |
| Funding and capital impact | Cash and debt funded – new facility in place  
GSK confirms no change to current dividend policy and continues to expect to pay 80p in dividends for 2018 |
| Approvals and timing | Purchase to be by means of Tender Offer to TESARO shareholders  
Transaction expected to close in Q1 2019 pending regulatory approvals |

VWAP: volume weighted average price