

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **August 6, 2015**

**Emergent BioSolutions Inc.**  
(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-33137**  
(Commission  
File Number)

**14-1902018**  
(IRS Employer  
Identification No.)

**400 Professional Drive, Suite 400, Gaithersburg, Maryland**  
(Address of Principal Executive Offices)

**20879**  
(Zip Code)

Registrant's telephone number, including area code: **(240) 631-3200**

**Not applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On August 6, 2015, Emergent announced financial and operating results for the period ended June 30, 2015. The full text of the press release issued in connection with the announcement is attached hereto as Exhibit 99.1.

On August 6, 2015, Emergent issued a press release announcing its plan to pursue a tax-free spin-off of the company's biosciences business into a separate, stand-alone publicly-traded company. For the benefit of its investors, Emergent is furnishing additional financial information regarding the estimated pro forma incremental EBITDA for 2014 associated with the spin-off.

Using information from audited consolidated financial results from 2014, Emergent estimates a net increase in its 2014 EBITDA (earnings before interest, taxes, depreciation and amortization) of between \$40 million and \$50 million, as a result of estimated pro forma adjustments related to the spin-off. This calculation takes into account the following items related to the biosciences business:

- costs associated with the Seattle, Washington site;
- costs associated with the Berwyn, Pennsylvania site;
- costs associated with research and development conducted on biosciences-related programs at the Winnipeg, Manitoba, Canada site; and
- product sales revenue and associated gross margin contribution related to the biosciences commercial products.

The estimated pro forma incremental EBITDA for Emergent excludes the impact of the \$15.6 million in-license fee revenue associated with a one-time upfront payment received in 2014 resulting from the collaboration with MorphoSys AG focused on the MOR209/ES414 immuno-oncology product development candidate targeting mCRPC.

**Item 7.01. Regulation FD Disclosure.**

On August 6, 2015, Emergent issued a press release announcing its plan to pursue a tax-free spin-off of the company's biosciences business into a separate, stand-alone publicly-traded company. A copy of the press release is attached hereto as Exhibit 99.2. In addition, on August 6, 2015, Emergent posted on its website a presentation for investors as well as a fact sheet and FAQ with respect to the proposed spin-off. A copy of the presentation for investors, fact sheet and FAQ are attached hereto as Exhibit 99.3, Exhibit 99.4 and Exhibit 99.5.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

- 99.1 Earnings press release, dated August 6, 2015.
  - 99.2 Press release, dated August 6, 2015.
  - 99.3 Presentation for investors, dated August 6, 2015.
  - 99.4 Fact Sheet, dated August 6, 2015.
  - 99.5 FAQ, dated August 6, 2015.
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 6, 2015

EMERGENT BIOSOLUTIONS INC.

By: /s/ A.B. Cruz III

A.B. Cruz III

Executive Vice President, General Counsel and Corporate Secretary

**EMERGENT BIOSOLUTIONS REPORTS SECOND QUARTER AND SIX MONTHS 2015 FINANCIAL RESULTS AND REAFFIRMS 2015 GUIDANCE**

**GAITHERSBURG, MD, August 6, 2015**—Emergent BioSolutions Inc. (NYSE: EBS) reported financial results for the quarter and six months ended June 30, 2015.

**Financial highlights include:**

- Total revenues: Q2 2015 of \$126.1 million, up 14% over prior year; six months 2015 of \$189.7 million, up 16% over prior year;
- GAAP net income/loss: Q2 2015 net income of \$14.1 million, or \$0.32 per diluted share; six months 2015 net loss of \$7.4 million, or \$0.19 per diluted share;
- Adjusted net income/loss: Q2 2015 net income of \$17.0 million, or \$0.36 per diluted share; six months 2015 net loss of \$1.8 million, or \$0.05 per diluted share;
- EBITDA: Q2 2015 of \$29.6 million, or \$0.62 per diluted share; six months 2015 of \$9.6 million, or \$0.25 per diluted share; and
- Adjusted EBITDA: Q2 2015 of \$31.0 million, or \$0.65 per diluted share; six months 2015 of \$12.2 million, or \$0.32 per diluted share.

**2015 business accomplishments:**

- FDA approval of Anthrasil™
- Awards to manufacture Ebola monoclonal antibodies under our CIADM arrangement with BARDA
- Successful dosing of our first patient in the Phase I trial for MOR209/ES414, our immunotherapeutic treatment for prostate cancer
- FDA approval and launch of IXINITY®, a recombinant factor IX treatment for Hemophilia B
- Continued steady progress on Building 55 sBLA approval

**2015 outlook:**

- Reaffirmation of previous guidance – FY 2015 total revenues of \$510-\$540 million, net income of \$50-\$60 million (GAAP) and \$60-\$70 million (adjusted); and
- New guidance – Q3 2015 total revenues of \$140 to \$155 million.

**2015 FINANCIAL PERFORMANCE****(I) Quarter Ended June 30, 2015 (unaudited)****Revenues*****Product Sales***

For Q2 2015, product sales were \$82.0 million, an increase of 5% as compared to 2014. The increase primarily reflects increased sales of BioThrax during the quarter.

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(in millions)	Three Months Ended		
	2015	June 30, 2014	% Change
Product Sales			
BioThrax®	\$ 72.2	\$ 67.5	7%
Other biodefense	2.8	1.9	47%
<b>Total Biodefense</b>	<b>\$ 75.0</b>	<b>\$ 69.4</b>	<b>8%</b>
<b>Total Biosciences</b>	<b>\$ 7.0</b>	<b>\$ 8.9</b>	<b>(21)%</b>
<b>Total Product Sales</b>	<b>\$ 82.0</b>	<b>\$ 78.3</b>	<b>5%</b>

#### **Contract Manufacturing**

For Q2 2015, revenue from our contract manufacturing operations was \$8.9 million, a decrease of 3% as compared to 2014. The decrease was primarily due to the timing of fill/finish facility service to third parties.

#### **Contracts, Grants and Collaborations**

For Q2 2015, contracts, grants and collaborations revenue was \$35.2 million, an increase of 54% as compared to 2014. The increase was primarily due to development funding for Anthrasil.

#### **Operating Expenses**

##### **Cost of Product Sales and Contract Manufacturing**

For Q2 2015, cost of product sales and contract manufacturing was \$27.3 million, a decrease of 21% as compared to 2014. The decrease was primarily attributable to the decrease in the BioThrax cost per dose sold associated with increased production yield in the period in which the doses were produced.

##### **Research and Development**

For Q2 2015, gross research and development (R&D) expenses were \$40.9 million, an increase of 9% as compared to 2014. The increase was primarily attributable to additional R&D expenditures associated with product development programs in the Biodefense segment. Net R&D expenses, which are more representative of the company's actual out-of-pocket investment in product development, are calculated as gross research and development expenses less contracts, grants and collaboration revenues. For Q2 2015, net R&D expenses were \$5.7 million, a decrease of 61% as compared to 2014.

(in millions)	Three Months Ended June 30,		
	2015	2014	% Change
<b>Research and Development Expenses (Gross)</b>	\$ 40.9	\$ 37.4	9%
Adjustments:			
Contracts, grants and collaborations revenues	35.2	22.9	54%
<b>Net Research and Development Expenses</b>	\$ 5.7	\$ 14.5	(61)%

#### **Selling, General and Administrative**

For Q2 2015, selling, general and administrative expenses were \$36.5 million, an increase of 19% as compared to 2014. The increase was primarily attributable to selling, general and administrative costs associated with the launch of IXINITY and professional services to support the company's strategic growth initiatives.

#### **Net Income**

For Q2 2015, GAAP net income per diluted share is computed using the if-converted method. This method requires GAAP net income to be adjusted in the amount of \$1.0 million, from \$14.1 million to \$15.1 million, related to interest expense and amortization of debt issuance cost, both net of tax, associated with the company's 2.875% Convertible Senior Notes due 2021.

### **(II) Six Months Ended June 30, 2015 (unaudited)**

#### **Revenues**

##### **Product Sales**

For the six months of 2015, product sales were \$100.3 million, a decrease of 12% as compared to 2014. The decrease was primarily attributable to the timing of deliveries of BioThrax to the SNS due to our decision to suspend shipments to the CDC in Q1 2015. Shipments were subsequently resumed in Q2 2015.

(in millions)	Six Months Ended June 30,		
	2015	2014	% Change
Product Sales			
BioThrax®	\$ 72.2	\$ 92.0	(22)%
Other biodefense	14.8	10.0	48%
<b>Total Biodefense</b>	\$ 87.0	\$ 102.0	(15)%
<b>Total Biosciences</b>	\$ 13.3	\$ 12.0	11%
<b>Total Product Sales</b>	\$ 100.3	\$ 114.0	(12)%

##### **Contract Manufacturing**

For six months of 2015, revenue from our contract manufacturing operations was \$21.1 million, an increase of 77% as compared to 2014. The increase was primarily due to the impact of fill/finish services revenues for the entire six month period in 2015.

##### **Contracts, Grants and Collaborations**

For six months of 2015, contracts, grants and collaborations revenue was \$68.3 million, an increase of 78% as compared to 2014. The increase was primarily due to development funding for Anthrasil.

#### **Operating Expenses**

##### **Cost of Product Sales and Contract Manufacturing**

For the six months of 2015, cost of product sales and contract manufacturing was \$46.0 million, a decrease of 14% as compared 2014. The decrease was primarily attributable to a decrease in product sales and contract manufacturing revenues.

##### **Research and Development**

For the six months of 2015, gross R&D expenses were \$79.6 million, an increase of 18% as compared to 2014. The increase was primarily attributable to additional R&D expenditures in the Biodefense segment.

Net R&D expenses for the six months of 2015 were \$11.3 million, a decrease of 62% as compared to 2014.

(in millions)	Six Months Ended		
	2015	2014	% Change
<b>Research and Development Expenses (Gross)</b>	\$ 79.6	\$ 67.7	18%
Adjustments:			
Contracts, grants and collaboration revenues	68.3	38.3	78%
Net loss attributable to non-controlling interest	--	--	--
<b>Net Research and Development Expenses</b>	\$ 11.3	\$ 29.4	(62)%

#### **Selling, General and Administrative**

For the six months of 2015, selling, general and administrative expenses were \$70.9 million, an increase of 17% as compared to 2014. The increase was primarily attributable to additional post-acquisition selling, general and administrative costs largely associated with the operations acquired in Q1 2014, including IXINITY launch costs, as well as professional services to support the company's strategic growth initiatives.

#### **(III) Reconciliation of GAAP Net Income to Adjusted Net Income/(Loss), EBITDA and Adjusted EBITDA**

This press release contains three financial measures (**Adjusted Net Income/(Loss)**, **EBITDA or earnings before interest, taxes, depreciation and amortization, and adjusted EBITDA**) that are considered "non-GAAP" financial measures under applicable Securities & Exchange Commission rules and regulations. These non-GAAP financial measures should be considered supplemental to and not a substitute for financial information prepared in accordance with generally accepted accounting principles. The company's definition of these non-GAAP measures may differ from similarly titled measures used by others. Adjusted Net Income adjusts for specified items that can be highly variable or difficult to predict, or reflect the non-cash impact of charges resulting from purchase accounting. EBITDA reflects net income excluding the impact of depreciation, amortization, interest expense and provision for income taxes. Adjusted EBITDA also excludes specified items that can be highly variable and the non-cash impact of certain purchase accounting adjustments. The company views these non-GAAP financial measures as a means to facilitate management's financial and operational decision-making, including evaluation of the company's historical operating results and comparison to competitors' operating results. These non-GAAP financial measures reflect an additional way of viewing aspects of the company's operations that, when viewed with GAAP results and the reconciliations to the corresponding GAAP financial measure, may provide a more complete understanding of factors and trends affecting the company's business.

The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depend upon, among other factors, the nature of the underlying expense or income amounts. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the company's reported results of operations, management strongly encourages investors to review the company's consolidated financial statements and publicly filed reports in their entirety.

The following table provides a reconciliation of GAAP Net Income to Adjusted Net Income for the three month periods as indicated.

(in millions, except per share price)	Three Months Ended		
	2015	2014	Source
<b>GAAP Net Income</b>	\$ 14.1	\$ 5.0	NA
Adjustments:			
Acquisition-related costs (transaction & integration)	1.4	2.4	SG&A
Non-cash amortization charges	2.8	2.9	COGS, SG&A, Other Income
Impact of purchase accounting on inventory step-up	--	1.0	COGS
Tax effect	(1.3)	(1.9)	NA
<b>Total Adjustments</b>	2.9	4.4	NA
<b>Adjusted Net Income</b>	\$ 17.0	\$ 9.4	NA
<b>Adjusted Net Income Per Diluted Share</b>	\$ 0.36	\$ 0.25	NA

The following table provides a reconciliation of GAAP Net Loss to Adjusted Net Loss for the six month periods as indicated.

(in millions, except per share price)	Six Months Ended		
	2015	2014	Source
<b>GAAP Net Loss</b>	\$ (7.4)	\$ (15.2)	NA
Adjustments:			
Acquisition-related costs (transaction & integration)	2.5	6.3	SG&A
Non-cash amortization charges	5.3	4.5	COGS, SG&A, Other Income
Write-off of syndicated loans	--	1.8	Other Income
Impact of purchase accounting on inventory step-up	0.1	1.4	COGS
Tax effect	(2.4)	(4.2)	NA
<b>Total Adjustments</b>	5.6	9.8	NA
<b>Adjusted Loss</b>	\$ (1.8)	\$ (5.4)	NA
<b>Adjusted Net Loss Per Diluted Share</b>	\$ (0.05)	\$ (0.15)	NA

The following table provides a reconciliation of GAAP Net Income to EBITDA and Adjusted EBITDA for the three month periods as indicated.

(in millions, except per share price)	Three Months Ended		
	2015	2014	
<b>GAAP Net Income</b>	\$ 14.1	\$ 5.0	
Adjustments:			
+ Depreciation & Amortization	8.4	8.0	
+ Provision For Income Taxes	5.5	2.5	
- Total Interest Expense	1.6	1.7	
<b>Total Adjustments</b>	15.5	12.2	
<b>EBITDA</b>	\$ 29.6	\$ 17.2	

Additional Adjustments:			
Acquisition-related costs (transaction & integration)		1.4	2.4
Impact of purchase accounting on inventory step-up		--	1.0
<b>Total Additional Adjustments</b>		<b>1.4</b>	<b>3.4</b>
<b>Adjusted EBITDA</b>	\$	<b>31.0</b>	\$ 20.6

The following table provides a reconciliation of GAAP Net Loss to EBITDA and Adjusted EBITDA for the six month periods as indicated.

<i>(in millions, except per share price)</i>	Six Months Ended	
	2015	2014
<b>GAAP Net Loss</b>	\$ (7.4)	\$ (15.2)
Adjustments:		
+ Depreciation & Amortization	16.5	14.6
+ Benefit From Income Taxes	(2.8)	(5.7)
- Total Interest Expense	3.3	5.3
<b>Total Adjustments</b>	<b>17.0</b>	<b>14.2</b>
<b>EBITDA</b>	\$ <b>9.6</b>	\$ (1.0)
Additional Adjustments:		
Acquisition-related costs (transaction & integration)	2.5	6.3
Impact of purchase accounting on inventory step-up	0.1	1.4
<b>Total Additional Adjustments</b>	<b>2.6</b>	<b>7.7</b>
<b>Adjusted EBITDA</b>	\$ <b>12.2</b>	\$ 6.7

#### CONFERENCE CALL AND WEBCAST INFORMATION

Company management will host a conference call at 8:00 am (Eastern Time) today, August 6, 2015, to discuss these financial results. This conference call can be accessed live by telephone or through Emergent's website.

##### Live Teleconference Information:

Dial in number: (855) 766-6521  
International dial in: (262) 912-6157  
Passcode: 78708197

##### Live Webcast Information:

Visit [www.emergentbiosolutions.com](http://www.emergentbiosolutions.com)  
and select the "Investors" section

*Pre-registering for the live call will expedite access and minimize hold times. You will be issued a passcode to bypass the operator and connect directly. To pre-register for the call, visit the following website: <http://edge.media-server.com/m/p/gprwpcvd/lan/en>.*

A replay of the call can be accessed on Emergent's website <http://www.emergentbiosolutions.com> under "Investors."



## ABOUT EMERGENT BIOSOLUTIONS INC.

Emergent BioSolutions is a global specialty biopharmaceutical company dedicated to one simple mission—to protect and enhance life. We develop, manufacture, and deliver a portfolio of medical countermeasures for biological and chemical threats as well as emerging infectious diseases. We also develop and commercialize therapeutics and other specialty products for hospitals and clinics in the areas of hematology/oncology, transplantation, infectious diseases and autoimmune disorders. Through our work, we envision protecting and enhancing 50 million lives with our products by 2025. Additional information about the company may be found at [www.emergentbiosolutions.com](http://www.emergentbiosolutions.com). Follow us @emergentbiosolu.

## SAFE HARBOR STATEMENT

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including our financial guidance, and any other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" and similar expressions in conjunction with, among other things, discussions of financial performance or financial condition, growth strategy, product sales, manufacturing capabilities, including our current investigation involving our suppliers and contract manufacturers regarding a discovery of foreign particles in two lots of BioThrax, product development, regulatory approvals or expenditures are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including the potential outcome of our current investigation of foreign particles discovered in two lots of BioThrax; appropriations for BioThrax procurement; our ability to successfully integrate Cangene Corporation and realize the potential benefits of this acquisition; our ability to obtain new BioThrax sales contracts or modifications to existing contracts; our plans to pursue label expansions and improvements for BioThrax; availability of funding for our US government grants and contracts; our ability to identify and acquire or in-license products or late-stage product candidates that satisfy our selection criteria; whether anticipated synergies and benefits from an acquisition or in-license are realized within expected time periods or at all; our ability to enter into selective collaboration arrangements; the timing of and our ability to achieve milestones in out-license and collaboration contracts; our ability to expand our manufacturing facilities and capabilities; our ability and the ability of our contractors and suppliers to maintain compliance with cGMP and other regulatory obligations; the results of regulatory inspections; our ability to meet operating and financial restrictions placed on us and our subsidiaries that are contained in our senior credit facility; the rate and degree of market acceptance and clinical utility of our products; the success of our ongoing and planned development programs; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; and our commercialization, marketing and manufacturing capabilities and strategy. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the SEC, when evaluating our forward-looking statements.

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### Investor Contact

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### Media Contact

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## FINANCIAL STATEMENTS FOLLOW

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**Emergent BioSolutions Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(in thousands, except share and per share data)

	June 30, 2015	December 31, 2014
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 214,841	\$ 280,499
Accounts receivable	99,718	58,834
Inventories	84,708	65,674
Deferred taxes, current portion, net	1,483	1,710
Income tax receivable, net	13,142	1,357
Prepaid expenses and other current assets	21,596	24,101
Total current assets	<u>435,488</u>	<u>432,175</u>
Property, plant and equipment, net	320,084	313,979
In-process research and development	52,328	60,628
Intangible assets, net	62,110	58,344
Goodwill	52,585	52,585
Deferred tax assets, long-term, net	13,481	12,764
Other assets	7,247	8,216
Total assets	<u>\$ 943,323</u>	<u>\$ 938,691</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 41,824	\$ 40,930
Accrued expenses and other current liabilities	6,442	6,274
Accrued compensation	26,320	31,654
Contingent consideration, current portion	3,040	6,487
Provisions for chargebacks	1,993	2,246
Deferred revenue, current portion	7,343	5,345
Total current liabilities	<u>86,962</u>	<u>92,936</u>
Contingent consideration, net of current portion	33,795	34,599
Long-term indebtedness	253,000	251,000
Deferred revenue, net of current portion	6,083	5,713
Other liabilities	1,232	1,242
Total liabilities	<u>381,072</u>	<u>385,490</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 15,000,000 shares authorized, 0 shares issued and outstanding at both June 30, 2015 and December 31, 2014	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized, 39,162,799 shares issued and 38,742,610 shares outstanding at June 30, 2015; 38,129,872 shares issued and 37,709,683 shares outstanding at December 31, 2014	39	38
Treasury stock, at cost, 420,189 common shares at both June 30, 2015 and December 31, 2014	(6,320)	(6,320)
Additional paid-in capital	291,339	274,222
Accumulated other comprehensive loss	(3,657)	(3,008)
Retained earnings	280,850	288,269
Total stockholders' equity	<u>562,251</u>	<u>553,201</u>
Total liabilities and stockholders' equity	<u>\$ 943,323</u>	<u>\$ 938,691</u>

**Emergent BioSolutions Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share data)

	<b>Three Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	
<b>Revenues:</b>		
Product sales	\$ 82,023	\$ 78,269
Contract manufacturing	8,859	9,187
Contracts, grants and collaborations	35,230	22,869
<b>Total revenues</b>	<b>126,112</b>	<b>110,325</b>
<b>Operating expense:</b>		
Cost of product sales and contract manufacturing	27,266	34,507
Research and development	40,941	37,401
Selling, general and administrative	36,453	30,555
<b>Income from operations</b>	<b>21,452</b>	<b>7,862</b>
<b>Other income (expense):</b>		
Interest income	273	31
Interest expense	(1,628)	(1,721)
Other income, net	(497)	1,322
<b>Total other expense, net</b>	<b>(1,852)</b>	<b>(368)</b>
<b>Income before provision for income taxes</b>	<b>19,600</b>	<b>7,494</b>
Provision for income taxes	5,500	2,465
<b>Net income</b>	<b>\$ 14,100</b>	<b>\$ 5,029</b>
<b>Income per share - basic</b>	<b>\$ 0.37</b>	<b>\$ 0.13</b>
<b>Income per share – diluted (1)</b>	<b>\$ 0.32</b>	<b>\$ 0.13</b>
<b>Weighted-average number of shares - basic</b>	<b>38,480,754</b>	<b>37,416,554</b>
<b>Weighted-average number of shares - diluted</b>	<b>47,410,413</b>	<b>38,333,425</b>

(1) Due to the if-converted method of accounting for dilutive earnings per share for the three months ended June 30, 2015, the calculation of diluted earnings per share includes adjustments to net income of \$809,000 and \$219,000, respectively, for interest expense and amortization of debt issuance costs associated with our 2.875% Convertible Senior Notes due 2021.

**Emergent BioSolutions Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share data)

	<b>Six Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	
<b>Revenues:</b>		
Product sales	\$ 100,314	\$ 114,036
Contract manufacturing	21,102	11,913
Contracts, grants and collaborations	68,329	38,260
<b>Total revenues</b>	<b>189,745</b>	<b>164,209</b>
<b>Operating expense:</b>		
Cost of product sales and contract manufacturing	46,014	53,504
Research and development	79,643	67,657
Selling, general and administrative	70,946	60,644
<b>Income from operations</b>	<b>(6,858)</b>	<b>(17,596)</b>
<b>Other income (expense):</b>		
Interest income	355	71
Interest expense	(3,288)	(5,256)
Other income, net	(397)	1,834
<b>Total other expense, net</b>	<b>(3,330)</b>	<b>(3,351)</b>
<b>Loss before benefit from income taxes</b>	<b>(10,188)</b>	<b>(20,947)</b>
Benefit from income taxes	(2,769)	(5,740)
<b>Net loss</b>	<b>\$ (7,419)</b>	<b>\$ (15,207)</b>
<b>Loss per share - basic</b>	<b>\$ (0.19)</b>	<b>\$ (0.41)</b>
<b>Loss per share - diluted</b>	<b>\$ (0.19)</b>	<b>\$ (0.41)</b>
<b>Weighted-average number of shares - basic</b>	<b>38,216,524</b>	<b>37,137,015</b>
<b>Weighted-average number of shares - diluted</b>	<b>38,216,524</b>	<b>37,137,015</b>

**Emergent BioSolutions Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	<b>Six Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	
<b>Cash flows from operating activities:</b>		
Net loss	\$ (7,419)	\$ (15,207)
Adjustments to reconcile to net cash provided by (used in) operating activities:		
Stock-based compensation expense	7,790	6,015
Depreciation and amortization	17,298	15,294
Incomes taxes	630	(5,199)
Change in fair value of contingent consideration	751	1,630
Write off of debt issuance costs	-	1,831
Excess tax benefits from stock-based compensation	(7,241)	(5,179)
Other	153	499
Changes in operating assets and liabilities:		
Accounts receivable	(40,884)	2,274
Inventories	(19,034)	1,232
Income taxes	(16,740)	(5,184)
Prepaid expenses and other assets	2,465	(567)
Accounts payable	2,062	(10,357)
Accrued expenses and other liabilities	157	(644)
Accrued compensation	(5,473)	(3,902)
Provision for chargebacks	(253)	284
Deferred revenue	2,368	(1,246)
Net cash used in operating activities	<u>(63,370)</u>	<u>(18,426)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(19,681)	(9,400)
Acquisition of Cangene Corporation, net of acquired cash	-	(178,167)
Net cash used in investing activities	<u>(19,681)</u>	<u>(187,567)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from convertible debenture, net of bank fees	-	241,654
Proceeds from long-term debt obligations	2,000	1,000
Issuance of common stock upon exercise of stock options	13,162	9,969
Excess tax benefits from stock-based compensation	7,241	5,179
Principal payments on long-term indebtedness	-	(62,000)
Contingent obligation payments	(5,002)	(1,019)
Net cash provided by financing activities	<u>17,401</u>	<u>194,783</u>
Effect of exchange rate changes on cash and cash equivalents	(8)	2
Net decrease in cash and cash equivalents	(65,658)	(11,208)
Cash and cash equivalents at beginning of period	280,499	179,338
Cash and cash equivalents at end of period	<u>\$ 214,841</u>	<u>\$ 168,130</u>

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## **EMERGENT BIOSOLUTIONS ANNOUNCES PLAN TO IMPLEMENT TAX-FREE SPIN-OFF OF BIOSCIENCES BUSINESS INTO A SEPARATE PUBLICLY-TRADED COMPANY**

**GAITHERSBURG, Md., August 6, 2015**—Emergent BioSolutions Inc. (NYSE: EBS) today announced that its Board of Directors has authorized management to pursue a tax-free spin-off of the company's Biosciences business into a separate, stand-alone publicly-traded company. The spin-off is expected to create two independent public companies with distinct strategic plans, growth strategies, and operational and development priorities.

The new Biosciences company, to be named at a later date, will focus on providing novel oncology and hematology therapeutics to meaningfully improve patients' lives. The core technology of the Biosciences company will be its ADAPTIR platform applied to immuno-oncology. Emergent BioSolutions will continue to operate as a global specialty biopharmaceutical company whose core business is focused on providing specialty products for civilian and military populations that address intentional and naturally emerging public health threats.

"The proposed spin-off recognizes that our two operating divisions have evolved into distinct business and investment opportunities. The Biosciences spin-off establishes each as a pure play company with a focused strategy and enables each company to target investors attracted to its business profile," said Daniel J. Abdun-Nabi, President and Chief Executive Officer of Emergent BioSolutions. "This transaction will allow us to accelerate our growth strategy while enabling the new Biosciences company to invest in novel therapeutics in the highly attractive immuno-oncology field. We expect the spin-off to enhance business focus, better align resources to achieve strategic priorities, and unlock significant value for both companies."

### **Strategic Rationale**

Emergent believes that establishing the Biosciences business as a stand-alone public company offers a number of benefits. The spin-off will enable each company to:

- tailor business strategies to best address opportunities within its target market,
- enhance business focus and better align resources to achieve strategic priorities,
- pursue distinct capital structures and capital allocation strategies, and
- target investors attracted to its business profile.

### **New Biosciences Company: A biopharmaceutical company focused on novel oncology and hematology therapeutics to meaningfully improve patients' lives**

The new Biosciences company will consist of certain assets currently in Emergent's Biosciences division, including:

- the ADAPTIR™ (modular protein technology) platform including bi-specific therapeutics based on Redirected T-cell Cytotoxicity (RTCC), a promising approach within immuno-oncology,
- MOR209/ES414, a bi-specific therapeutic for metastatic castration resistant prostate cancer currently in Phase 1 clinical development in partnership with MorphoSys AG, and
- a commercial product portfolio consisting of IXINITY, WinRho, HepaGam B, and VARIZIG.

The Biosciences company will be well-positioned to:

- establish itself as a "pure play" biopharmaceutical company in the highly attractive immuno-oncology field,
- target investments and operations in the development of bi-specific therapeutics using the proprietary ADAPTIR platform technology,
- increase awareness of ADAPTIR's RTCC mechanism of action, and
- provide greater visibility into its innovative platform technology and product candidates for potential collaborators.

Emergent expects to provide the Biosciences company with a fixed cash contribution of \$50 million to \$70 million. Additional sources of cash to support R&D investment will include commercial product sales and partnership funding.

### **Emergent BioSolutions: A global specialty biopharmaceutical company focused on providing specialty products for civilian and military populations that address intentional and naturally emerging public health threats**

Emergent will retain the biodefense marketed products and development programs, platform technologies, and manufacturing infrastructure. Emergent will maintain its headquarters in Gaithersburg, Maryland, biodefense product development facilities in Gaithersburg, Maryland and Munich, Germany, cGMP manufacturing facilities in Lansing, Michigan, Hattiesburg, Mississippi, and Winnipeg, Manitoba, Canada, as well as its CMO fill/finish operations in its Camden site in Baltimore, Maryland. Emergent's Bayview Campus, also in Baltimore, Maryland, will continue to operate as an HHS-designated Center for Innovation in Advanced Development and Manufacturing. Emergent's Winnipeg manufacturing facility is expected to serve as primary CMO for some products of the Biosciences company under an arm's length, long-term manufacturing agreement.

Emergent, with its focus on its core biodefense business, will be better positioned to:

- establish itself as a "pure play" company, recognized as a leader in the biodefense and emerging infectious diseases fields,
- enhance its financial returns and operating margins through the elimination of biosciences related R&D, sales, marketing and G&A costs, and
- allow greater flexibility in its capital allocation decisions.

### **Leadership**

As stand-alone public companies, Emergent and the new Biosciences company will have separate management teams and boards of directors. Daniel J. Abdun-Nabi will remain President and Chief Executive Officer and Robert G. Kramer will remain Executive Vice President and Chief Financial Officer of Emergent. Fuad El-Hibri will remain Executive Chairman of the Board of Directors.

Upon completion of the spin-off, Marvin L. White will serve as President and Chief Executive Officer of the new Biosciences company. Mr. White is currently a member of Emergent's Board of Directors. He is the former Chief Financial Officer of St. Vincent's Health, a \$2.8 billion multi-hospital health system. Mr. White previously served as Executive Director and CFO of Lilly USA, a subsidiary of Eli Lilly and Company, and held other positions in corporate finance at Eli Lilly and Company.

"Marvin brings more than two decades of experience as a senior executive of prominent pharmaceutical and healthcare organizations," said Mr. Abdun-Nabi. "Having worked with Marvin on our board for five years, it is clear that his combination of leadership talents and business acumen will serve the new Biosciences company well as it strives to achieve the promise of its product portfolio and platform technology."

"Having witnessed the development of the biosciences business as an Emergent director, I am excited for the opportunity to grow this business as an independent public company by leveraging its innovative ADAPTIR technology in the highly-desirable immuno-oncology field," said Mr. White. "I look forward to working with the talented team within the new Biosciences company to advance its unique product candidates for the benefit of patients."

Additional details of the board and management team of the new Biosciences company will be provided at a later date.

## Financial Guidance

Emergent expects to incur transaction-related expenses of \$2 million to \$4 million in 2015, which are included in its reaffirmed 2015 financial guidance. The company expects additional costs in 2016 leading up to completion of the spin-off.

## Additional Information and Next Steps

The transaction is intended to take the form of a tax-free distribution to Emergent's shareholders of common stock of a new publicly-traded Biosciences company. The stock distribution ratio and other matters, including the stock exchange on which the new Biosciences company's stock will be listed, will be determined at a later date. Emergent will continue to be listed on the New York Stock Exchange under its existing symbol "EBS."

More details about the Biosciences company, including pro forma financial information, will be disclosed when the new Biosciences company files a Form 10 registration statement with the Securities and Exchange Commission in connection with the transaction. The initial filing of the Form 10 registration statement is expected to occur in the first quarter of 2016. The transaction is expected to be completed in mid-2016, subject to certain conditions, including the receipt of a favorable opinion from outside tax counsel and private letter ruling from the Internal Revenue Service, execution of inter-company agreements by Emergent and the new Biosciences company, the effectiveness of the Form 10 registration statement, and final approval of the transaction by Emergent's board of directors.

The transaction will not require the approval of Emergent's shareholders. Obligations under the 2.875% Convertible Senior Notes due 2021 will remain with Emergent following completion of the transaction, subject to the conversion adjustments provided in the indenture governing the notes.

Emergent may, at any time and for any reason until the proposed spin-off is complete, abandon the spin-off or modify its terms and conditions.

Emergent is being advised by J.P. Morgan Securities LLC, as financial advisor, and by Wilmer Cutler Pickering Hale and Dorr LLP, as legal advisor.

## Conference Call and Webcast Information

Company management will host a conference call on August 6, 2015 at 8:00 am eastern time to discuss the proposed spin-off, as well as to discuss Emergent's financial results for the second quarter of 2015, which were announced in a separate press release today. This conference call can be accessed live by telephone or through Emergent's website.

### Live Teleconference Information:

Dial in number: **855-766-6521**  
International dial in: 262-912-6157  
Passcode: **78708197**

### Teleconference Replay:

Dial in number: **855-859-2056**  
International dial in: 404-537-3406  
Passcode: **78708197**  
*Available through August 20, 2015*

### Live Webcast Information:

Visit [www.emergentbiosolutions.com](http://www.emergentbiosolutions.com)  
and select the "Investors" section

### Webcast Archive:

Visit [www.emergentbiosolutions.com](http://www.emergentbiosolutions.com)  
and select the "Investors" section

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**The company has posted a presentation regarding the transaction that is accessible via the following link: [www.emergentbiosolutions.com/investors](http://www.emergentbiosolutions.com/investors)**

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## About Emergent BioSolutions

Emergent BioSolutions is a global specialty biopharmaceutical company dedicated to one simple mission—to protect and enhance life. We develop, manufacture, and deliver a portfolio of medical countermeasures for biological and chemical threats as well as emerging infectious diseases. We also develop and commercialize therapeutics and other specialty products for hospitals and clinics in the areas of hematology/oncology, transplantation, infectious diseases and autoimmune disorders. Through our work, we envision protecting and enhancing 50 million lives with our products by 2025. Additional information about the company may be found at [www.emergentbiosolutions.com](http://www.emergentbiosolutions.com). Follow us @emergentbiosolu.

## Safe Harbor Statement

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including, without limitation, statements regarding the planned spin-off of our biosciences business, the timing of any such spin-off, the future earnings and performance of Emergent or any of its businesses, including the biodefense and biosciences businesses on a standalone basis if the spin-off is completed, and any other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" and similar expressions in conjunction with, among other things, discussions of financial performance or financial condition, strategy, product sales, manufacturing capabilities, product development, regulatory approvals or expenditures are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including whether the planned spin-off of the biosciences business is completed, as expected or at all, and the timing of any such spin-off; whether the conditions to the spin-off can be satisfied; whether the operational, marketing and strategic benefits of the spin-off can be achieved; whether the costs and expenses of the spin-off can be controlled within expectations; and general market and economic conditions. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the SEC, when evaluating our forward-looking statements.



**Biosciences Spin-Off**  
August 6, 2015

Daniel J. Abdun-Nabi  
President and CEO

**EBS**  
**LISTED**  
**NYSE**



# Safe Harbor Statement

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This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including, without limitation, statements regarding our financial guidance, statements regarding the planned spin-off of our biosciences business, the timing of any such spin-off, the future earnings and performance of Emergent or any of its businesses, including the biodefense and biosciences businesses on a standalone basis if the spin-off is completed, and any other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" and similar expressions in conjunction with, among other things, discussions of financial performance or financial condition, strategy, product sales, manufacturing capabilities, product development, regulatory approvals or expenditures are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this presentation, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including whether the planned spin-off of the biosciences business is completed, as expected or at all, and the timing of any such spin-off; whether the conditions to the spin-off can be satisfied; whether the operational, marketing and strategic benefits of the spin-off can be achieved; whether the costs and expenses of the spin-off can be controlled within expectations; appropriations for BioThrax procurement; our ability to perform under our contracts with the U.S. government related to BioThrax, including the timing of deliveries; our ability to obtain new BioThrax sales contracts or modifications to existing contracts; the availability of funding for our U.S. government grants and contracts; our ability to successfully execute our growth strategy and achieve our financial and operational goals; our ability to successfully integrate and develop the products or product candidates, programs, operations and personnel of any entities or businesses that we acquire; our ability to perform under our contract with the U.S. government to develop and obtain regulatory approval for large-scale manufacturing of BioThrax in Building 55, our large-scale vaccine manufacturing facility in Lansing, Michigan; our ability to identify and acquire companies or in-license products or late-stage product candidates that satisfy our selection criteria; our ability to realize synergies and benefits from acquisitions or in-licenses within expected time periods or at all; our ability to selectively enter into collaboration arrangements; our ability to achieve milestones in our out-license and collaboration contracts; our ability to obtain and maintain intellectual property protection for our products and product candidates; our ability and plans to expand our manufacturing facilities and capabilities; our ability and the ability of our contractors and suppliers to maintain compliance with cGMP and other regulatory obligations; the results of regulatory inspections; our ability to meet operating and financial restrictions placed on us and our subsidiaries under our senior secured credit facility; the rate and degree of market acceptance and clinical utility of our products; the success of our ongoing and planned development programs, non-clinical activities and clinical trials of our product candidates; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; the success of our commercialization, marketing and manufacturing capabilities and strategy; and the accuracy of our estimates regarding future revenues, expenses, capital requirements and needs for additional financing.

The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the SEC, when evaluating our forward-looking statements.

<b>Description</b>	Board of Directors has authorized management to pursue a tax-free spin-off of the company's Biosciences business into a separate, stand-alone publicly-traded company (SpinCo)
<b>Outcome</b>	Separation is expected to create two independent public companies with distinct strategic plans, growth strategies, and operational and development priorities
<b>Emergent BioSolutions (after spin-off)</b>	Emergent will remain a global specialty biopharmaceutical company focused on providing specialty products for civilian and military populations that address intentional and naturally emerging public health threats
<b>Spin-off Entity (SpinCo)</b>	SpinCo will: <ul style="list-style-type: none"><li>• Advance a portfolio of immuno-oncology therapeutics based on its proprietary ADAPTIR platform technology</li><li>• Receive a fixed cash contribution from Emergent, ongoing revenues from its existing commercial products, and partnership funding</li><li>• Be managed by a dedicated and separate management team and board of directors</li></ul>
<b>Timing</b>	Spin-off is anticipated to be completed in mid-2016

Enables each company to:

- Tailor business strategies to best address opportunities within its target market
- Enhance business focus and better align resources to achieve strategic priorities
- Pursue distinct capital structures and capital allocation strategies
- Target an investor base attracted to its business profile

- Establishes Emergent as a “pure play” company, recognized as a leader in the biodefense and emerging infectious diseases fields
- Enhances its financial returns/operating margins
  - Reduces burdens on cash flow associated with oncology R&D
  - Eliminates sales, marketing and G&A costs associated with biosciences business
- Allows greater flexibility in capital allocation including:
  - Acquisitions that are synergistic with the core business
  - Consideration of stock buybacks / dividends

Company Profile Post-spin

Medical Countermeasure Portfolio		
<p><b>Markets</b></p> <p><b>C &gt; B &gt; R &gt; N &gt; E</b> Chemical, Biological, Radiological, Nuclear, Explosive</p> <p><b>E I D</b> Emerging Infectious Diseases</p> <p><b>Market Opportunities:</b> \$5.7B USG annually (2011-13)<sup>1</sup> for MCMs International market potential</p>	<p><b>Marketed Products</b></p> <p>BioThrax<sup>®</sup></p> <p>BAT<sup>®</sup>      VIGIV      Anthrasil<sup>™</sup></p> <p>RSDL<sup>®</sup>      Emergard<sup>™2</sup></p>	<p><b>Pipeline</b></p> <p>Clinical Candidates:</p> <p>NuThrax<sup>™</sup>      VAX161C<sup>4</sup></p> <p>MVA Ebola<sup>3</sup></p> <p>Preclinical Candidates:</p> <p>PreviThrax<sup>™</sup></p> <p>EV-035 Series</p>

**Manufacturing & Commercial Ops**

cGMP Manufacturing  
Fill/Finish CMO Services

- Comprehensive capabilities
- Flexible technologies
- Inspected and approved by regulatory agencies from the US, EU, Japan
- International distribution and sales

**Platform Technologies**

**MVAator<sup>™</sup>**  
Recombinant, live, attenuated viral vector for vaccines

**Hyperimmunes**  
Purified, antigen-specific immune globulin fragments derived from fractionated plasma

**Emergard<sup>™</sup>**  
Ruggedized, military-grade auto-injector device

**Leadership**

**Management team to remain in place:**

CEO · Daniel Abdun-Nabi  
CFO · Robert Kramer

<sup>1</sup> Federal Agency Biodefense Funding, FY2013-FY2014 Sell and Watson Biosecurity and Bioterrorism Vol 11 Num 3, 2013

<sup>2</sup> Emergard is not FDA-approved and not marketed in the U.S.

<sup>3</sup> Collaboration with GSK, Oxford University, and NIAID

<sup>4</sup> Pandemic influenza vaccine licensed from VaxInnate

### Continued Revenue Growth

- Organic and M&A
- Product sales
- Contracts, grants and collaborations
- CMO revenue, including the manufacture of products for SpinCo

### Enhanced Balance Sheet

Allows pursuit of optimal capital deployment opportunities

- Targeted R&D aligned with recognized core focus and capabilities
- Acquisitions that are synergistic with the core business
- Consideration of stock buybacks / dividends

### Reduced Cost Structure

Enhances EBITDA

- Elimination of oncology R&D
- Elimination of selling and marketing expenses for commercial products
- Elimination of the G&A costs within the bioscience business

**Reduced cost structure increases EBITDA \$40-50M**  
(pro forma estimate based on 2014 results)

- Establishes SpinCo as a “pure play” biopharmaceutical company in the highly attractive field of immuno-oncology
- Targets investments and operations in the development of bi-specific therapeutics using the proprietary ADAPTIR platform technology
- Enables increased awareness of ADAPTIR’s RTCC mechanism of action, a promising approach within immuno-oncology
- Provides greater visibility into its innovative platform technology and product candidates for potential collaborators

**Company Profile**

Product/Candidate	Indication	Pre-Clinical	Clinical Development Stage			Marketed
			Phase I	Phase II	Phase III	
IXINITY	Hemophilia B	[Red bar spanning Phase I, II, III]				
WinRho	ITP	[Red bar spanning Phase I, II, III]				
HepaGam B	HBV	[Red bar spanning Phase I, II, III]				
VARIZIG	Varicella	[Red bar spanning Phase I, II, III]				
Otlertuzumab	CLL	[Red bar spanning Pre-Clinical, Phase I]				
MOR209/ES414	mCRPC	[Red bar spanning Pre-Clinical, Phase I]				
ES210	IBD	[Red bar in Pre-Clinical]				
Additional ADAPTIR Candidates	Immuno-oncology	[Red bar in Pre-Clinical]				
5E3	Alzheimer's Disease	[Red bar in Pre-Clinical]				



**Platform Technology**

**ADAPTIR™**  
Bi-specific oncology immuno-therapeutics

**R&D, Commercial Operations**

**Research & Development**  
Product development in Seattle, WA





**Commercial Operations**  
Sales and marketing in Berwyn, PA

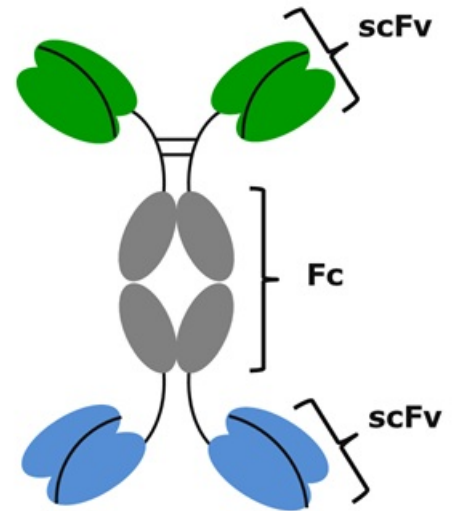
**Leadership & Headquarters**

- CEO: Marvin White
  - Current Emergent Director
  - Former leadership positions include
    - CFO at St. Vincent's Health
    - Executive Director and CFO of Lilly USA,
    - Positions in Corporate Finance at Eli Lilly
- Remaining management team and board of directors to be identified later
- Headquarters located in Seattle, WA



## ADAPTIR™ Platform at a Glance

-  A promising, novel approach for generation of immuno-therapeutics
-  Suitable for producing immuno-therapeutics for oncology or AIID utilizing different modes of action
  - Redirected T-cell Cytotoxicity
  - Targeted Cytokine Delivery
-  Successful history of product candidate generation, target validation, and clinical development
-  Bi-specific platform demonstrates superior properties in preclinical studies:
  - High potency
  - Long half-life
  - Minimal side effects
  - Antibody-like manufacturing



**Bi-specific  
ADAPTIR  
Therapeutic**

- Fixed cash contribution from Emergent of \$50M-\$70M
- R&D investment partially offset by:
  - Growing contribution from IXINITY
  - Stable contribution from mature products:  
WinRho, HepaGam B, VARIZIG
  - Funding from existing MOR209/ES414 partnership
- Positioned for future funding to support development programs
  - New collaborations
  - Capital markets

<b>Structure</b>	<ul style="list-style-type: none"><li>▪ Tax-free distribution to Emergent shareholders of common stock of SpinCo</li><li>▪ Stock distribution ratio to be determined</li></ul>
<b>Timing</b>	<ul style="list-style-type: none"><li>▪ Transaction anticipated to be completed in mid-2016 (subject to closing conditions)</li></ul>
<b>Naming</b>	<ul style="list-style-type: none"><li>▪ Corporate name for SpinCo to be announced at later date</li><li>▪ Emergent BioSolutions will retain its name</li></ul>
<b>Costs</b>	<ul style="list-style-type: none"><li>▪ Emergent expects to incur transaction-related expenses of \$2M to \$4M during 2015, which are included in our reaffirmed 2015 financial guidance</li><li>▪ Additional costs expected in 2016 leading up to the spin-off</li></ul>
<b>Closing Conditions</b>	<ul style="list-style-type: none"><li>▪ Receipt of a favorable opinion from outside tax counsel and private letter ruling from the Internal Revenue Service</li><li>▪ Execution of inter-company agreements by Emergent and SpinCo</li><li>▪ Effectiveness of the Form 10 registration statement</li><li>▪ Final approval of the transaction by Emergent's board of directors</li></ul>

**Spin-off is expected to create two independent public companies with distinct strategic plans, growth strategies, and operational and development priorities**

- Enables **Emergent** to establish itself as a “pure play” company in the biodefense and emerging infectious diseases fields
- Enables **SpinCo** to establish itself as a “pure play” company in the highly attractive immuno-oncology field
- Enables each company to target an **investor base** attracted to its business profile



**Biosciences Spin-Off**  
August 6, 2015

Daniel J. Abdun-Nabi  
President and CEO

**EBS**  
**LISTED**  
**NYSE**

This HTM file refers to exhibit99\_4.pdf.

This HTM file refers to exhibit99\_5.pdf.