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If you have sold or transferred all your Ordinary Shares in Venture Life Group plc, please pass this document, together with the accompanying Proxy Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document.

Northland Capital Partners Limited, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's nominated adviser and joint broker for the purposes of the AIM Rules. Northland Capital Partners Limited is acting exclusively for the Company and will not be responsible to any other person for providing the protections afforded to its customers nor for providing advice in relation to the Placing. Northland Capital Partners Limited has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Northland Capital Partners Limited about any of the contents or the completeness of this document.

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The London Stock Exchange has not examined or approved the contents of this document. The Directors, whose names are set out at page 4, and the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The whole of the text of this document should be read.



Venture Life Group plc

(Registered in England and Wales with registered number 05651130)

**Proposed placing of up to 46,875,000 Placing Shares at 40 pence per share to raise
£18.75 million**

Proposed acquisition of the Dentyl Business

Proposed repayment of Convertible Bonds and Biokosmes Vendor Loan Notes

Notice of General Meeting

Your attention is drawn to the letter from the Chair of the Company, set out in Part I of this document, which includes a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting to be held at the offices of Simmons & Simmons LLP at CityPoint, One Ropemaker Street, London EC2Y 9SS at 11.00 a.m. on 6 August 2018.

Notice of the General Meeting is set out at the end of this document. A Proxy Form for use in connection with the General Meeting accompanies this document and should be completed by Shareholders and returned in accordance with the instructions contained in it as soon as possible and in any event to be received by no later than 11.00 a.m. on 2 August 2018. If you hold Ordinary Shares through CREST you may appoint a proxy by completing and transmitting a CREST proxy instruction to Link Asset Services (CREST participant ID RA10) so that it is received by no later than 11.00 a.m. on 2 August 2018. Completion and return of a Proxy Form or CREST proxy instruction will not prevent Shareholders from attending and voting in person at the General Meeting should they subsequently wish to do so.

This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States nor do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa or Japan or any other territory outside the United Kingdom. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document has come should inform themselves and observe any restrictions about the Placing or the distribution of this document.

A copy of this document is available at the Company's website: www.venture-life.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including (but not limited to) the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear various places throughout this document and may include statements about the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view of future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth, strategy and liquidity. While the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

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DIRECTORS AND ADVISERS

Directors	Lynn Drummond (<i>Non-executive Chair</i>) Jeremy Randall (<i>Chief Executive Officer</i>) Adrian Crockett (<i>Chief Financial Officer</i>) Gianluca Braguti (<i>Chief Manufacturing Officer</i>) Sharon Collins (<i>Chief Commercial Officer</i>) John Sylvester (<i>Non-executive Director</i>) Peter Bream (<i>Non-executive Director</i>)
Company Secretary	Peter Shepherd
Registered Address	Venture House Arlington Square Downshire Way Bracknell Berkshire RG12 1WA
Nominated Adviser and Joint Broker	Northland Capital Partners Limited 40 Gracechurch Street, 2nd Floor London EC3V 0BT
Bookrunner and Joint Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Joint Broker	Turner Pope Investments (TPI) Ltd 550 Ley Street Ilford Essex IG2 7DB
Legal advisers to the Company	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
Legal advisers to Cenkos	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Registrar & Receiving Agent	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU

STATISTICS

Number of Existing Ordinary Shares in issue before the Placing	36,837,106
Number of Placing Shares to be issued pursuant to the Placing	46,875,000
Placing Price per Placing Share	40 pence
Gross proceeds of the Placing	£18.75 million
Estimated net proceeds of the Placing	£17.5 million
Number of Ordinary Shares in issue immediately following issue of the Placing Shares	83,712,106
Placing Shares as a percentage of the Enlarged Share Capital	56 per cent.

EXPECTED TIMETABLE

Announcement of the Placing and Acquisition	20 July 2018
Posting of this document and Proxy Form to Shareholders	20 July 2018
Latest time and date for receipt of Proxy Forms for the General Meeting	11.00 a.m. on 2 August 2018
General Meeting	11.00 a.m. on 6 August 2018
Admission of the Placing Shares and completion of the Acquisition	7 August 2018
CREST accounts to be credited for Placing Shares in uncertificated form	7 August 2018
Expected date for posting of share certificates for Placing Shares (where applicable)	Within 10 days of Admission

Note: Each of the dates and times in the above timetable are subject to change. All times stated are BST.

DEFINITIONS

These definitions apply throughout this document:

“Acquisition”	the proposed acquisition by the Company of the Dentyl Business pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional business transfer agreement dated 20 July 2018 between the Vendor and the Company in respect of the Acquisition
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, as published by the London Stock Exchange, as amended
“Biokosmes Vendor Loan Notes”	the loan notes with a principal value of €2 million carrying an annual coupon of 4 per cent. issued to the vendors of Biokosmes Srl
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document
“Cenkos”	Cenkos Securities plc
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form (that is, not in CREST)
“Companies Act”	the Companies Act 2006, as amended
“Company” or “VLG”	Venture Life Group plc
“Consideration”	the aggregate consideration payable to the Vendor under the Acquisition Agreement, as described in more detail at paragraph 3 of Part I of this document
“Convertible Bonds”	the convertible bonds issued by the Company with a principal value of £1.9 million carrying an annual coupon of 9 per cent.
“CREST”	the relevant systems (as defined in the Uncertificated Securities Regulations 2001, as amended) for paperless settlement of share transfers and the holding of shares in uncertificated form of which Euroclear is the operator as defined by such regulations
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
“Dentyl Business”	the trade and assets of the Dentyl Dual Action mouthwash and BB Mints businesses described in paragraph 3 of Part I of this document
“Enlarged Share Capital”	the entire issued Ordinary Share capital of the Company immediately following completion of the allotment and issue of the Placing Shares
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Ordinary Shares”	the 36,837,106 Ordinary Shares in issue as at the date of this document
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be held at the offices of Simmons & Simmons LLP at CityPoint, One Ropemaker Street, London EC2Y 9SS at 11.00 a.m. on 6 August 2018, or any adjourned meeting, notice of which is set out in Part II of this document
“Group”	the Company and its subsidiary undertakings (as defined in the Companies Act)

“Notice”	the notice of the General Meeting contained in Part II of this document
“Ordinary Shares”	ordinary shares of 0.3 pence each in the capital of the Company
“Placing”	the proposed placing of the Placing Shares at the Placing Price by Cenkos, as agent for the Company
“Placing Agreement”	the conditional agreement dated 20 July 2018 between the Company and Cenkos, relating to the Placing
“Placing Price”	40 pence per Placing Share
“Placing Shares”	up to 46,875,000 new Ordinary Shares to be placed with institutional and certain other investors at the Placing Price pursuant to the Placing
“Proxy Form”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Shareholders”	holders from time to time of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America (including the District of Columbia)
“Vendor”	D.D.D. Limited

All references in this document to “Sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

PART I
LETTER FROM THE CHAIR OF THE COMPANY



(Incorporated and registered in England and Wales with registered number 05651130)

Directors

Lynn Drummond (*Chair*)
Jeremy Randall
Adrian Crockett
Gianluca Braguti
Sharon Collins
John Sylvester
Peter Bream

Registered Office

Venture House
Arlington Square
Downshire Way
Bracknell
Berkshire
RG12 1WA

20 July 2018

Dear Shareholder

Proposed placing of up to 46,875,000 Placing Shares at 40 pence per share to raise £18.75 million, proposed acquisition of the Dentyl Business, proposed repayment of Convertible Bonds and Biokosmes Vendor Loan Notes and Notice of General Meeting

1. Introduction

The Company has today announced the terms of a placing to raise approximately £18.75 million (before expenses) by the issue and allotment by the Company of up to 46,875,000 new Ordinary Shares at the Placing Price of 40 pence per share. The net proceeds will be used to fund the acquisition of the Dentyl Business, to repay the Convertible Bonds and Biokosmes Vendor Loan Notes, to strengthen the Company's balance sheet to support the continued growth of the business and to explore further strategic acquisition opportunities.

The Placing is conditional, among other matters, on Shareholders approving the Resolutions at the General Meeting, compliance by the Company in all material respects with its obligations under the Placing Agreement and Admission of the Placing Shares to trading on AIM. The Resolutions are contained in the Notice set out at the end of this document.

The purpose of this document is to explain the background to and reasons for the Placing, why the Directors are seeking authority from Shareholders to issue the Placing Shares for cash on a non pre-emptive basis and to recommend that you vote in favour of the Resolutions.

2. Summary of VLG

The Group is an international self-care group, focused on the development, manufacture and commercialisation of products for the global self-care market. The Group's strategy is to create value for shareholders by building a leading international self-care business with a portfolio of niche products across a range of therapeutic areas that it distributes through its partners worldwide. The Group has established a vertically integrated platform, with a manufacturing facility in Italy and a network of over 90 distribution partners in over 40 countries, and employs approximately 100 staff between its operations in the UK and Italy. The Group's product range and pipeline currently includes the UltraDEX oral care products range, food supplements for lowering cholesterol and maintaining brain function, dermo-cosmetics for addressing the signs of ageing, and medical devices for onychomycosis (nail fungus), rosacea and haemorrhoids. The Group is now focused on building its strong track record of acquiring "unloved" and under commercialised brands that it can grow internationally using its operating leverage and distribution channels to deliver incremental profit growth in addition to organic growth of its existing business. In the year ended 31 December 2017, VLG reported revenues of £16.1 million (2016: £14.3 million), EBITDA of £1.9 million (2016: £0.8 million) and its maiden pre-tax profit of £0.1 million (2016: loss of £1.1 million).

3. Background and information on the Dentyl Business

The Dentyl Business consists of two products:

- Dentyl, a novel two-phase mouthwash product; and
- BB Mints, a newly launched breath freshening sugar free capsule.

Dentyl

Dentyl is an every-day mouthwash, which the Board believes is in a non-competitive position to the Group's existing oral care product, UltraDEX, and presents the Group with a significant opportunity for long term revenue and margin growth.

Dentyl was sold to Blistex Inc. in 2006 and subsequently acquired by the Vendor in February 2014.

Dentyl is currently a prominent brand in the UK mouthwash market. It is activated by shaking, with the two phases interacting to create an electrostatic charge, which removes bacteria. The formulation consists of an aqueous phase, which contains an anti-bacterial agent, and an oil phase, which contains mint oil and it is packaged in a distinctive triangular bottle.

The product is sold in 500 ml, 250 ml and 100 ml bottles and comes in two main flavours, "Smooth Mint" and "Fresh Clove".

Dentyl's 500 ml and 250 ml volumes are manufactured by Robert McBride plc. Fleet Laboratories Limited ("Fleet"), the Vendor's manufacturing affiliate, currently produces the 100 ml volumes. The Group plans, concurrent with the completion of the Acquisition, to enter into a manufacturing arrangement with Fleet for Fleet to continue to produce the 100 ml volumes and to act as a back-up producer of certain of VLG's UltraDEX products.

BB Mints

This product, newly launched in 2018, is a sugar free dual action breath and belly freshness capsule. The product commenced its UK listing in March 2018 in Tesco stores and petrol forecourts.

The BB Mints product is currently manufactured in Japan and packaged in Thailand by Thai Jintan Co. VLG is acquiring from the Vendor a distribution right to sell the BB Mints product in the UK (principally) as part of the Acquisition.

Financial information on the Acquisition

The Dentyl Business derives 95 per cent. of its revenues from the UK and has listings in many of the major UK grocery and pharmacy outlets (excluding Boots) with its top five customers by sales in the financial year ended 31 December 2017 being Tesco, Morrisons, Sainsburys, Asda and Wilkinsons. South Africa is the largest overseas market representing approximately 2.7 per cent of revenues in the year ended 31 December 2017 and the only other significant international distribution partner is in China, where a new distributor has recently launched Dentyl.

The trading record of the Dentyl Business for the three years ended 31 December 2017, as extracted from the Vendor's unaudited management accounts, is summarised below:

	Year ended 31 December 2015 £'000	Year ended 31 December 2016 £'000	Year ended 31 December 2017 £'000
Net revenue	3,235	3,007	2,878
Profit before tax	820	1,334	1,168

Sales of the Dentyl mouthwash have been in decline during recent years, which the Board believes is as a consequence of, among other things, a combination of the following:

- the Dentyl Business not being a core product for the Vendor;
- the Vendor lacking clear strategic direction for the product; and
- a lack of investment within the brand.

The Directors believe that this decline in sales presents a significant opportunity for the Group and that the Company can capitalise on the operating leverage available within the VLG businesses to improve future long term revenues and profitability. The Board believes that the Acquisition is strategically compelling for the following reasons:

- the Dentyl brand is well recognised in the UK;
- the Dentyl Business is complementary and not competitive with UltraDEX due to different target markets;
- Dentyl and UltraDEX have a complementary retailer channel which presents cross-selling opportunities for the Group;
- there is scope to expand Dentyl's UK listings and internationalise the brand by partnering in international markets using VLG's network of marketing partners and improving marketing and product innovation; and
- the Board has identified cost of goods savings that it believes can be made.

In due course, the Directors believe there may also be an additional opportunity to bring the manufacturing of the Dentyl product in house but will evaluate this post Acquisition.

Accordingly, the Directors believe that the Acquisition presents a significant opportunity for the Group to broaden its range of products and enhance its offering to existing and new distribution partners which the Directors expect will increase the Group's revenue growth and profitability. The Acquisition is expected to be earnings enhancing in the first full financial year following completion (i.e. the year ending 31 December 2019).

The Dentyl Business will form part of the Group's business in the UK, so profits earned from the Dentyl Business will pass through the Group's UK business. The Group's UK business currently has £8.6 million of accumulated tax losses, meaning that the profits from the Dentyl Business will be sheltered from tax for some time.

Key Terms of the Proposed Acquisition

The consideration payable for the trade and assets of the Dentyl Business is £4.2 million payable to the Vendor in cash on completion. The principal assets involved in the Dentyl Business comprise stock and tooling used to produce the distinctive shaped bottle of Dentyl mouthwash. VLG's assessment is that not more than £500,000 of this consideration is attributable to the value of assets used in the Dentyl Business.

The terms of the Acquisition are contained in the Acquisition Agreement which includes certain warranties by the Vendor about the Dentyl Business.

These terms include termination rights between signing and closing (i) for VLG in case of material breach of the warranties or the operational covenants by the Vendor involving more than a specified amount; and (ii) for the Vendor if faced with a valid claim for its inadvertent but unremediable breach of its warranties for below this specified amount.

4. Repayment of loan instruments

The Directors propose to repay the following loan instruments out of the net proceeds of the Placing:

Convertible Bonds

In March 2016 the Company issued convertible bonds with a principal value of £1.9 million carrying an annual coupon of 9 per cent. to part fund the acquisition of Periproducts Limited. The Convertible Bonds were issued to a number of bondholders including Jeremy Randall and Gianluca Braguti, both Directors, who each subscribed £200,000. Full repayment of the Convertible Bonds is due on 31 March 2019.

Biokosmes Vendor Loan Notes

In March 2014 at the time of the Company's IPO on AIM, loan notes with a principal value of €2 million carrying an annual coupon of 3 per cent. were issued to the vendors of Biokosmes Srl, including Gianluca Braguti, a Director. The agreements covering these vendor loan notes were subsequently amended such that the latest repayment date of the loan notes was extended from July 2017 to July 2020 and the annual coupon increased from 3 per cent. to 4 per cent. with effect from 1 August 2017.

Approximately £3.7 million of the Placing proceeds is to be applied in repayment of the Convertible Bonds and the Biokosmes Vendor Loan Notes which is expected to result in an annualised reduction in interest expense of approximately £0.3 million.

5. Use of proceeds

The Directors intend that the net proceeds of the Placing receivable by the Company will be used primarily for the following purposes:

- i. to fund the Consideration;
- ii. to repay the Convertible Bonds and the Biokosmes Vendor Loan Notes;
- iii. to strengthen the Company's balance sheet to support the continued growth of VLG's business; and
- iv. to facilitate the exploration of potential strategic M&A.

6. The Placing

Subject to the satisfaction of the conditions under the Placing Agreement including, among other matters, the passing of the Resolutions without amendment, the Company will issue up to 46,875,000 new Ordinary Shares which will raise approximately £18.75 million, before expenses, and £17.5 million, after the expenses of the Placing (which are estimated to be up to approximately £1.25 million (excluding VAT)). The Placing Shares have been conditionally placed by Cenkos, acting as the bookrunner and as agent for the Company, with institutional and other investors. Application will be made for the Placing Shares to be admitted to trading on AIM, and, on the assumption that, among other matters, the Resolutions are passed, dealings in the Placing Shares are expected to commence on 7 August 2018.

The Placing is conditional, among other things, upon:

- the Resolutions being passed without amendment;
- compliance by the Company with its obligations under the Placing Agreement; and
- Admission of the Placing Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 7 August 2018 (or such later date as is agreed between the Company and Cenkos, being not later than 8.00 a.m. on 21 August 2018).

The Placing Shares will represent approximately 56 per cent. of the Enlarged Share Capital. The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company after the date of their issue and will otherwise rank equally in all other respects with the Existing Ordinary Shares. The Placing Price represents a discount to the closing mid-market price of 3.6 per cent. per Ordinary Share as at 19 July 2018 (being the latest practicable date before the date before the announcement of the Acquisition and Placing).

VLG has also agreed to issue a warrant instrument, on completion of the Placing, granting Cenkos warrants to subscribe for, in total, 2,511,363 Ordinary Shares, being 3 per cent. of the Enlarged Share Capital (and corresponding to £7,534.09 in aggregate nominal value). Each warrant corresponds to one Ordinary Share and is exercisable between the first and fifth anniversaries of the date of the warrant instrument, at the Placing Price (subject to adjustment). Before this first anniversary, these warrants may be cancelled by the Company.

Related Party Transaction

The participation in the Placing by J O Hambro Capital Management Limited ("J O Hambro"), an existing substantial shareholder in the Company, for 4,687,000 Placing Shares at the Placing Price is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules. Having consulted with Northland Capital Partners Limited, the Company's Nominated Adviser, the Directors consider that the terms of JO Hambro's participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

Immediately following Admission, J O Hambro will hold 9,087,892 Ordinary Shares, representing approximately 10.9 per cent. of the Enlarged Share Capital.

7. General Meeting

In Part II of this document you will find the Notice convening the General Meeting which is to be held at the offices of Simmons & Simmons LLP at CityPoint, One Ropemaker Street, London EC2Y 9SS at 11.00 a.m. on 6 August 2018. At the General Meeting the following resolutions of the Company will be proposed:

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of £140,625.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, disapplies statutory pre-emption rights, with the authority limited to, among other things, the allotment of equity securities having an aggregate nominal value of £140,625.

Resolution 3, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2 but which is separate and additional to the authority granted with Resolution 1, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of £7,534.09, pursuant to the warrant instrument referred to above.

Resolution 4, which will be proposed as a special resolution and which is subject to the passing of Resolution 3, disapplies statutory pre-emption rights, with the authority limited to the allotment of equity securities having an aggregate nominal value of £7,534.09 upon exercise of the rights to Ordinary Shares under this warrant instrument.

These Resolutions are in addition to the authorities granted to Directors at the last Annual General Meeting held on 23 May 2018. Resolution 1 authorises the allotment of such number of new Ordinary Shares as are necessary for the Placing. Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of new Ordinary Shares as are necessary for the Placing. Resolutions 3 and 4 provide the equivalent authorisations as Resolutions 1 and 2 respectively in relation to this warrant instrument.

8. Action to be taken

You will find enclosed with this document a Proxy Form for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete and return the Proxy Form to the Company's registrars, Link Asset Services, in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand as soon as possible and, in any event, so as to be received by no later than 11.00 a.m. on 2 August 2018. Completion and return of a Proxy Form will not prevent you from attending the General Meeting and voting in person if you wish to do so.

If you hold Ordinary Shares through CREST you may alternatively appoint a proxy by completing and transmitting a CREST proxy instruction to Link Asset Services (CREST participant ID RA10) so that it is received no later than 11.00 a.m. on 2 August 2018. Completion and return of a CREST proxy instruction form will not prevent you from attending and voting in person at the General Meeting should you subsequently wish to do so.

9. Recommendation by the Directors and irrevocable undertakings

Jeremy Randall and Gianluca Braguti, Directors (including through family members and self-invested pension arrangements), hold, in total, £400,000 nominal amount of convertible bonds (and, in the case of Gianluca Braguti, the Biokosmes Vendor Loan Notes) which VLG plans to repay using part of the net Placing proceeds. The Directors consider that VLG would be better financed through more equity capital rather than the debt it is repaying. The Directors believe that the Acquisition, the Placing and the use of the net Placing proceeds, as described in this document, are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings amounting to, in aggregate, 12,735,286 Ordinary Shares, which represent approximately 34.6 per cent. of the Existing Ordinary Shares.

Yours sincerely

Dr Lynn Drummond
Chair

PART II

Venture Life Group plc

(incorporated and registered in England and Wales with Company number 05651130)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Venture Life Group plc (the "Company") will be held at Simmons & Simmons LLP, CityPoint, One Ropemaker Street, London EC2Y 9SS on 6 August 2018 at 11.00 a.m. to consider, and if thought fit pass, the following Resolutions.

Resolutions 1 and 3 are ordinary resolutions and, to be passed, will require the approval at the General Meeting of (on a show of hands) a simple majority of Shareholders, or (on a poll) Shareholders representing a simple majority of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

Resolutions 2 and 4 are special resolutions and, to be passed, will require the approval at the General Meeting of (on a show of hands) at least 75 per cent. of Shareholders, or (on a poll) Shareholders representing at least 75 per cent. of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

ORDINARY RESOLUTION

1. **THAT**, in addition to any other authorities already in existence and in accordance with section 551 of the Companies Act 2006 (the "Companies Act"), the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £140,625 (46,875,000 Ordinary Shares) pursuant to a placing of certain new Ordinary Shares to institutional and other investors ("Placing"), provided that this authority will expire on the date falling 12 months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company before or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

2. **THAT**, in addition to any other authorities already in existence and subject to and conditional upon the passing of Resolution 1, in accordance with section 571(1) of the Companies Act, the Directors are authorised to allot equity securities for cash (within the meaning of section 560 of the Companies Act) pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Companies Act did not apply to any such allotment, provided that this power:
 - is limited to the allotment of equity securities pursuant to the Placing up to a maximum aggregate nominal value of £140,625 (46,875,000 Ordinary Shares); and
 - will expire on the date falling 12 months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company before or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

ORDINARY RESOLUTION

3. **THAT**, subject to and conditional on the passing of Resolution 2, in addition to all other authorities already in existence including Resolution 2 (which are all preserved) and in accordance with section 551 of the Companies Act 2006, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot up to 2,511,363 Ordinary Shares pursuant to a warrant instrument (as the same may be amended or varied

from time to time) (“Warrant Instrument”) issued by the Company on or around the same date as (and conditional on) completion of the Placing, provided that this authority will expire on the date falling 12 months from the date of the passing of this Resolution (unless renewed, varied or revoked by the Company before or on that date) but the Company may, before this authority expires, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after this authority expires and that the Directors may allot shares in the Company or grant rights pursuant to such an offer or agreement as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

4. **THAT**, subject to and conditional upon the passing of Resolution 3, in accordance with section 571(1) of the Act, the Directors be authorised to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by Resolution 3, as if section 561 of the Act did not apply to any such allotment, provided that this power:
- is limited to the allotment of equity securities pursuant to the Warrant Instrument up to a maximum aggregate nominal value of £7,534.09 (2,511,363 Ordinary Shares); and
 - expires on the date falling 12 months from the date of passing this resolution but may be previously revoked or varied by special resolution and so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

Registered Office
Venture House
Arlington Square
Downshire Way
Bracknell
Berkshire
RG12 1WA

By Order of the Board

Peter Shepherd
Company Secretary
Dated 20 July 2018

Notes:

1. You can appoint another person as your proxy to exercise all or any of your rights to attend and to speak and vote at the meeting. You may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you.
2. A proxy need not be a shareholder but must attend the meeting to represent you. If you wish to appoint someone other than the Chairman of the meeting, insert the name of the person you wish to appoint in block capitals in the space provided. Where you appoint someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments at the meeting on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. To appoint more than one proxy you may photocopy the proxy form. Please enter in the box next to the proxy holder's name, the number of shares in relation to which the proxy is authorised to act. If that box is left blank the proxy will be deemed to be authorised for your full voting entitlement. Please also indicate by ticking the box provided that the proxy appointment is one of multiple appointments being given. All proxy forms should be returned together in the same envelope.
4. To be effective, the proxy form, fully completed, together with the power of attorney or any other authority under which it is executed (or a notarially certified copy), must be lodged with Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11.00 a.m. on 2 August 2018.
5. If the shareholder is a corporation, the proxy form should be executed under its common seal, or signed on its behalf by a duly authorised officer or attorney.
6. In the case of joint holders the signature on the proxy form of any one holder will suffice but where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, with the first named being the most senior.
7. Any alteration to the proxy form should be initialled.
8. The completion and return of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
9. Addresses (including electronic addresses) in this document are included strictly for the purposes provided and not for any other purposes.
10. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast at that meeting will be determined by reference to the register of members of the Company at 6 p.m. on 2 August 2018, or if the meeting is adjourned the register of members at the time which is two working days before the time for holding any adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by 11:00 a.m. on 2 August 2018 (ID RA 10) by the latest time for receipt of proxy appointments set out in paragraph 10. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

