



The partner of choice for self-care products

Venture Life Group plc

Full Year Results Presentation 2017

22 March 2018



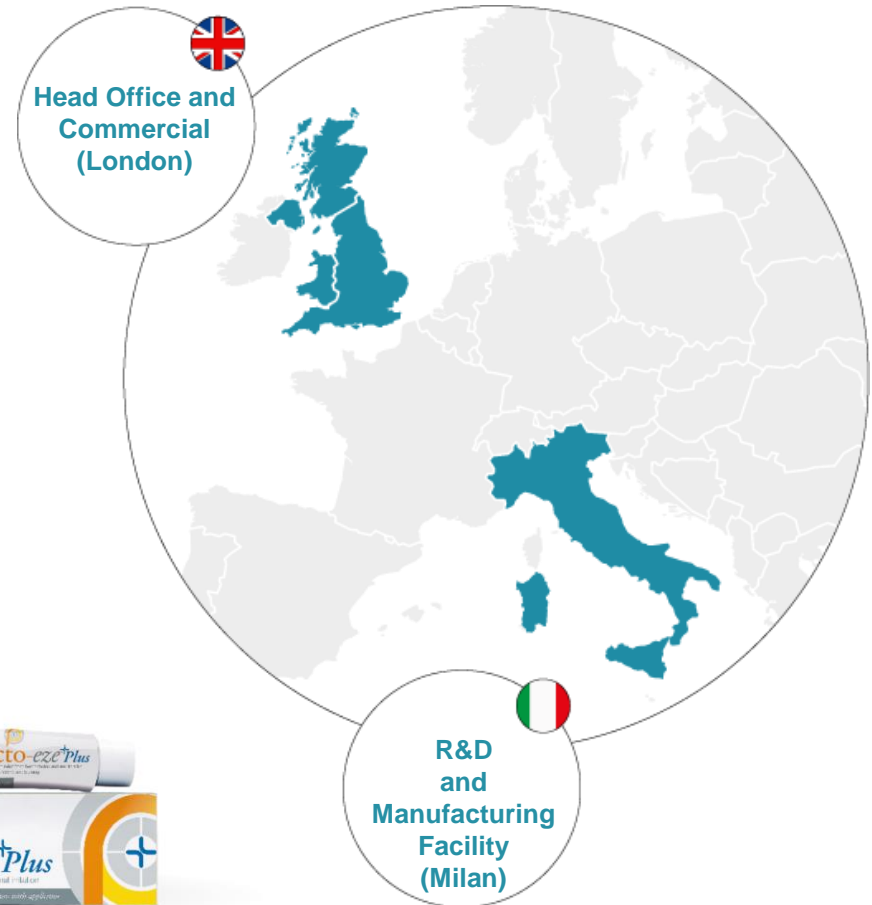
2017 highlights

- Revenues up 12% to £16.1m (2016: £14.3m)
- Gross profit increased 18% to £6.5 million (2016: £5.5 million), giving an increased gross margin percentage of 40% (2016: 38%)
- EBITDA increased 134% to £1.9 million (2016: £0.8 million)
- Profit before tax - first reported annual profit before tax
- New partners, new territories
- UltraDEX expansion – UK and internationally
- Strong progress in China



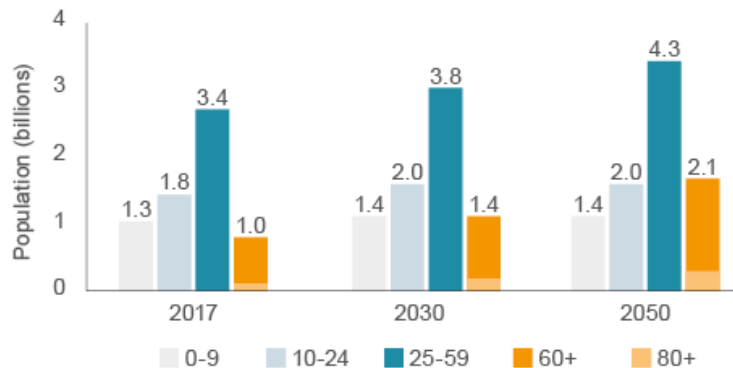
Significant growth potential in *self-care market*

- International consumer self-care group
- Portfolio of marketed products, growing partner base, product pipeline
- Products sold in 40+ countries



Our market *opportunity*

The ageing population is growing rapidly¹



Healthcare budgets are under increasing pressure²

£4.3bn

Net deficit of NHS
bodies and NHS trusts
in 2015-16

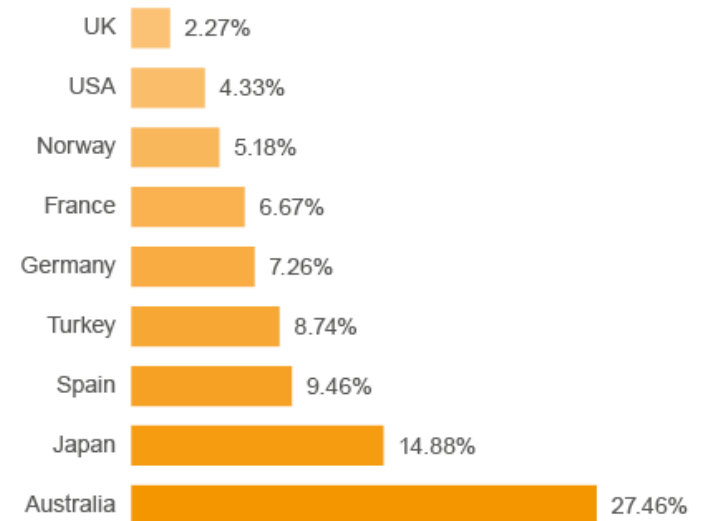
66%

Percentage of NHS
trusts in deficit in
2015-16

£14.9bn

Savings the NHS
needs to make by
2020-21

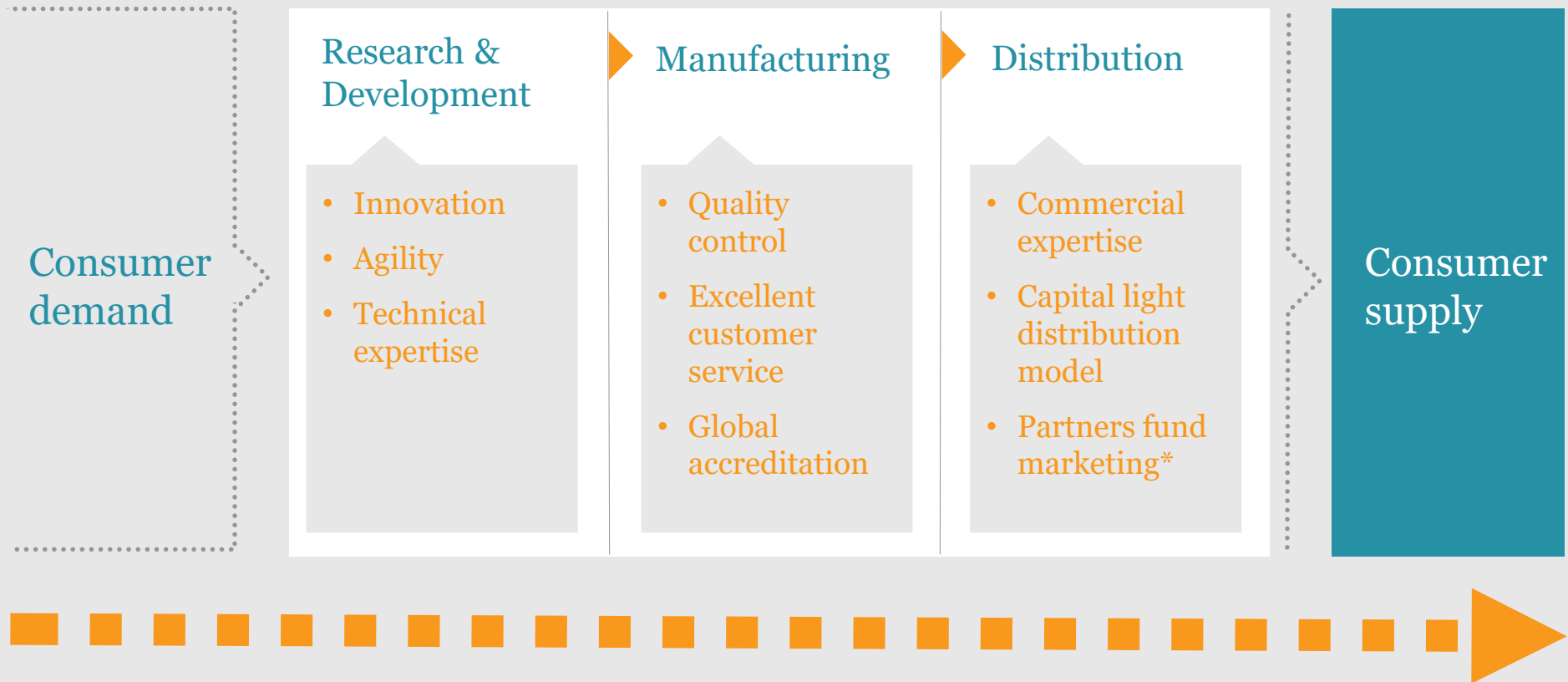
Self-medication market annual change 2014-15³



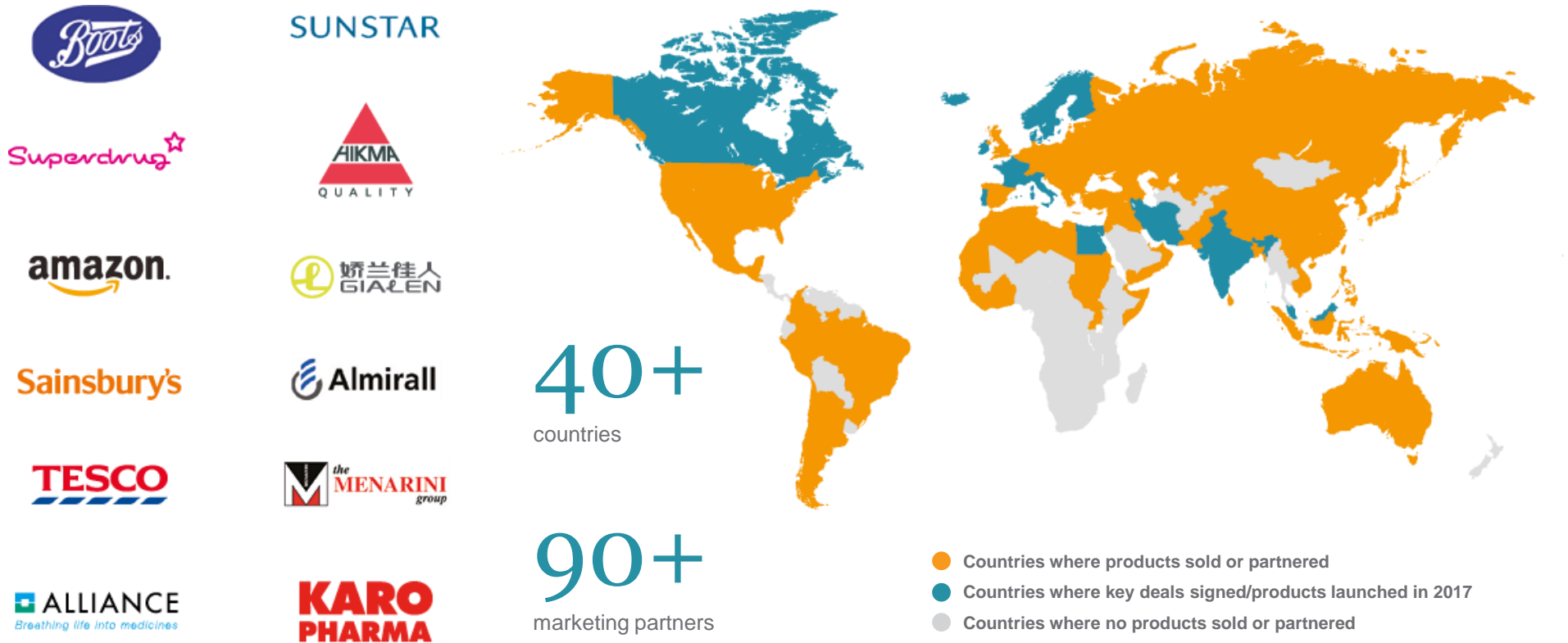
Sources:

1. United Nations (2017). World Population Prospects: the 2017 Revision
2. National Audit Office – Financial sustainability of the NHS
3. Association of the European Self-Medication Industry – Market Data

Our fully *integrated model*



Global *distribution network*



Self care product *portfolio*



Strategy of steady consolidated *growth*

Ambition: To become a leading global self-care products business.

With our own expertise in development, manufacturing, international distribution.



Revenue growth from existing and new distribution partners



Revenue growth from developing innovative products



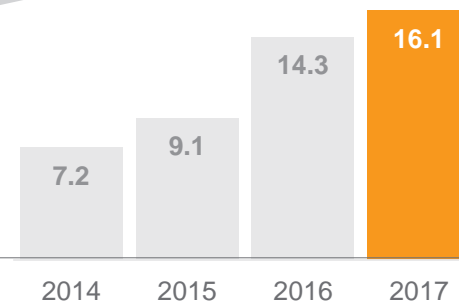
Revenue growth from product acquisitions



Profit growth through 'increased throughput'

Growth drivers

Group revenue (£m)



An experienced *management team*



Jerry Randall
Chief Executive Officer

- Experienced executive director in international healthcare since 2000
- Extensive experience in international licensing, M&A, fund raising and capital markets
- Previously co-founder of Sinclair Pharma plc growing it to £30m revenues
- Previously Exec Chairman of Silence Therapeutics plc
- Co-founder of Venture Life



Sharon Collins
Commercial Director

- Almost 20 years experience within healthcare industry - sales, marketing and BD
- Co-founder of Venture Life
- Responsible for commercial activities
- MBA



Gianluca Braguti
Manufacturing Director

- Pharmacist graduate
- University of Milan's cosmetic research and development department
- Founded Biokosmes in 1983
- FDA approval and ISO certification for manufacture of medical device and cosmetics



Adrian Crockett
Chief Financial Officer

- Over 15 years finance experience within healthcare industry
- Joined in March 2017 from Abbott Diabetes Care
- FCMA

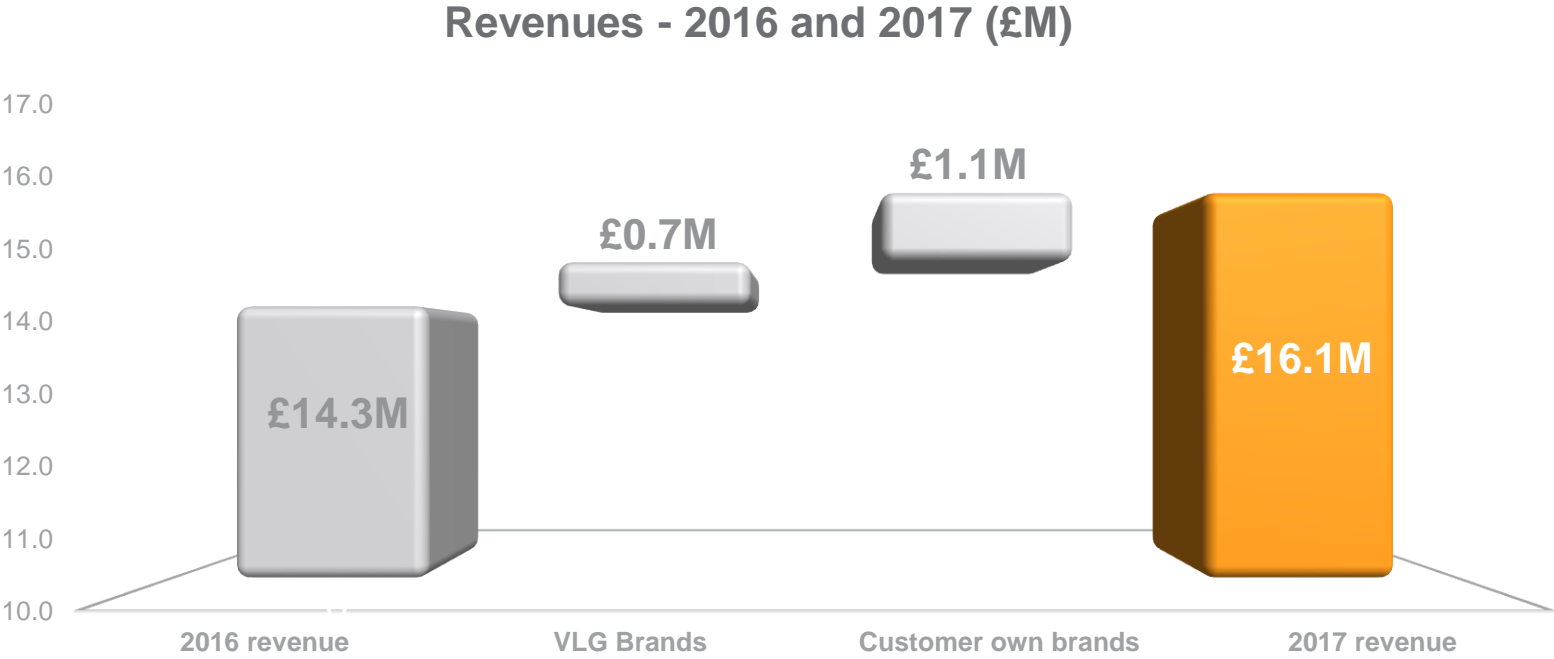
Financial *highlights*

- Revenues up 12% to £16.1m (2016 : £14.3m)
- Gross profit increased 18% to £6.5 million (2016: £5.5 million), giving an increased gross margin percentage of 40% (2016: 38%)
- EBITDA increased 134% to £1.9 million (2016: £0.8 million)
- Profit before tax of £0.1 million (2016: loss of £1.1 million) – first reported annual profit before tax.
- Year end cash balance of £1.4 million (2016: £2.0 million), cash positive H2 2017



Revenues 2017

Revenues  12%



Operational leverage *at work*

Group EBITDA (£M)

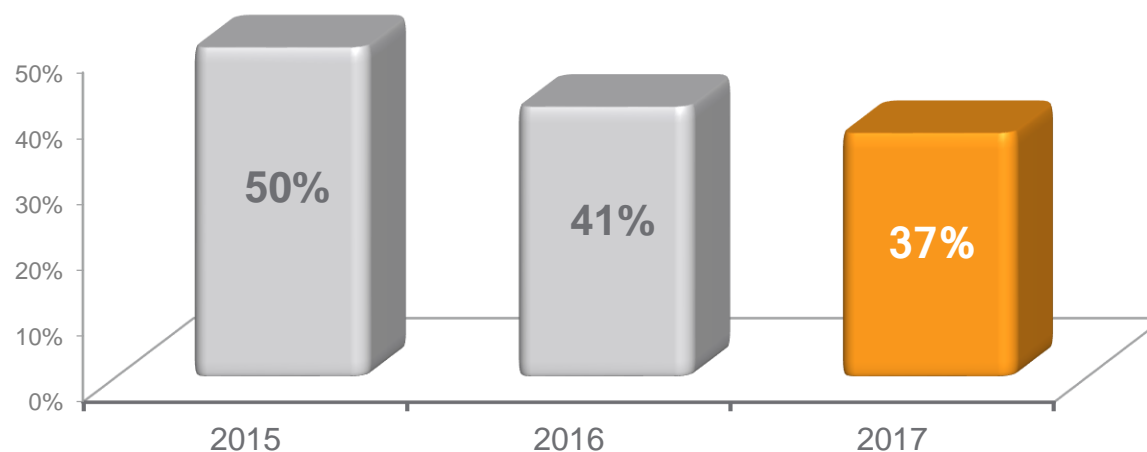
134%



Administrative *expenses*

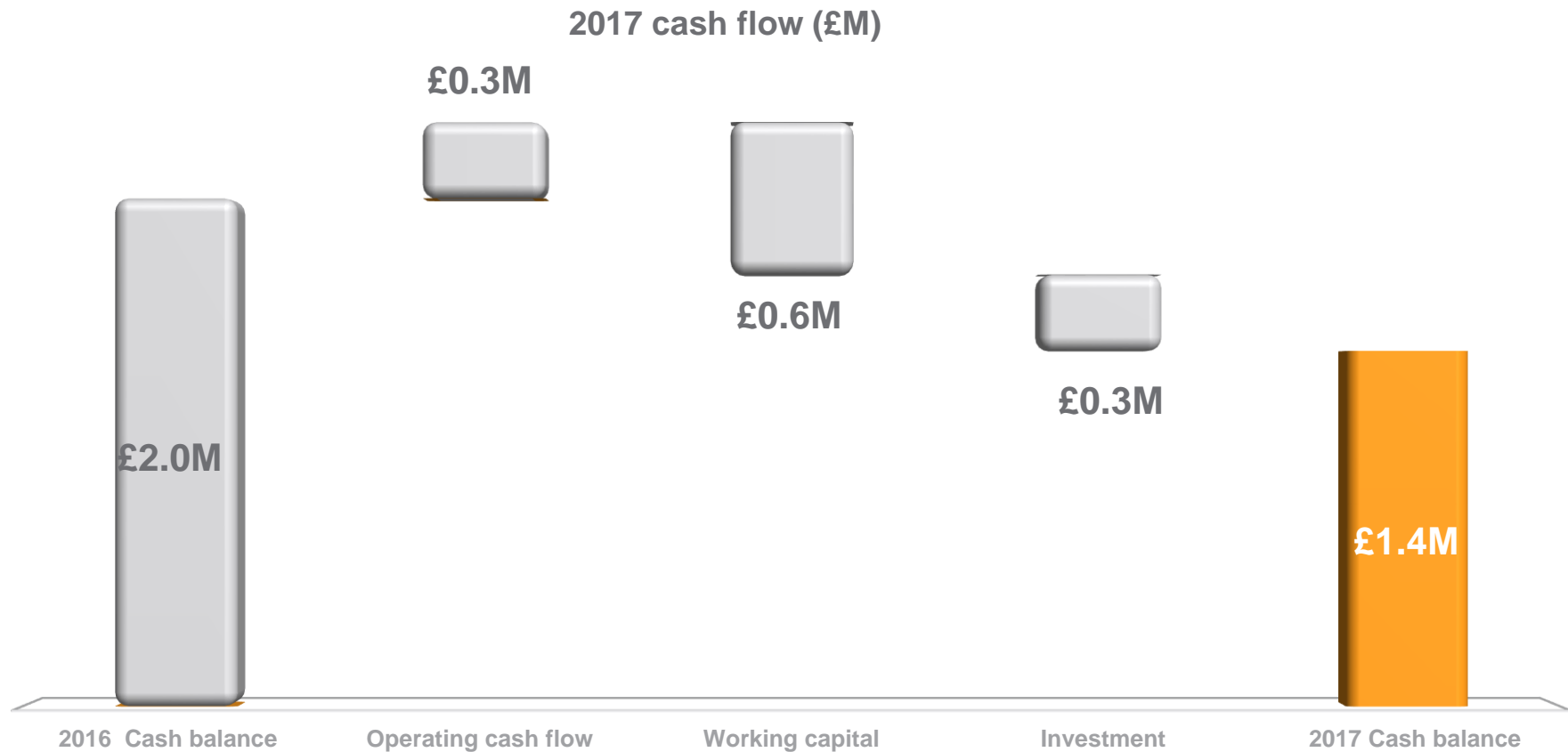
- Administrative Expenses continue to fall as a % of Group Revenue reflecting operational efficiencies

Total administrative expenses as a % of Group revenue



Cashflow *waterfall*

- Closing cash at normal operating levels, post working capital adjustments at 2016 year end



Continued commercial *progress*

Venture Life Group Brands

2017 Highlights

International Markets

- 10 new long term distribution agreements signed
- 7 new product launches, including India
- China – record sales in-store of skincare brand Lubatti

UK Market - UltraDEX

- Successful acquisition
- Increased distribution – new listings and channels
- Innovation - new products launched
- New marketing campaigns executed

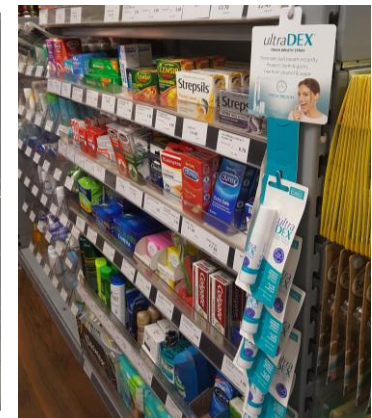
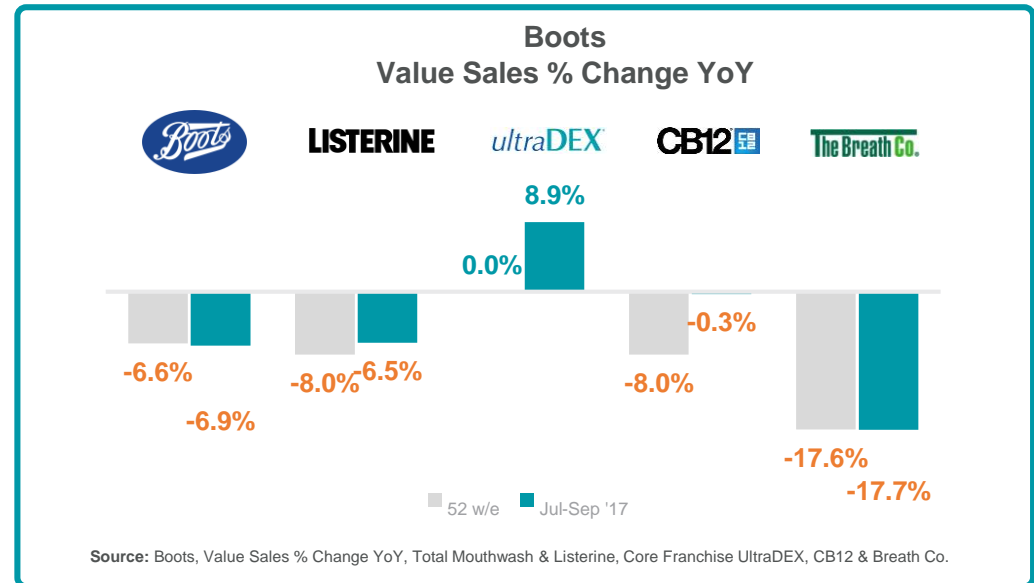
Post-period end

- Further gains for UltraDEX in the UK
- New deals signed for Procto-eze in Europe

UltraDEX *performance*

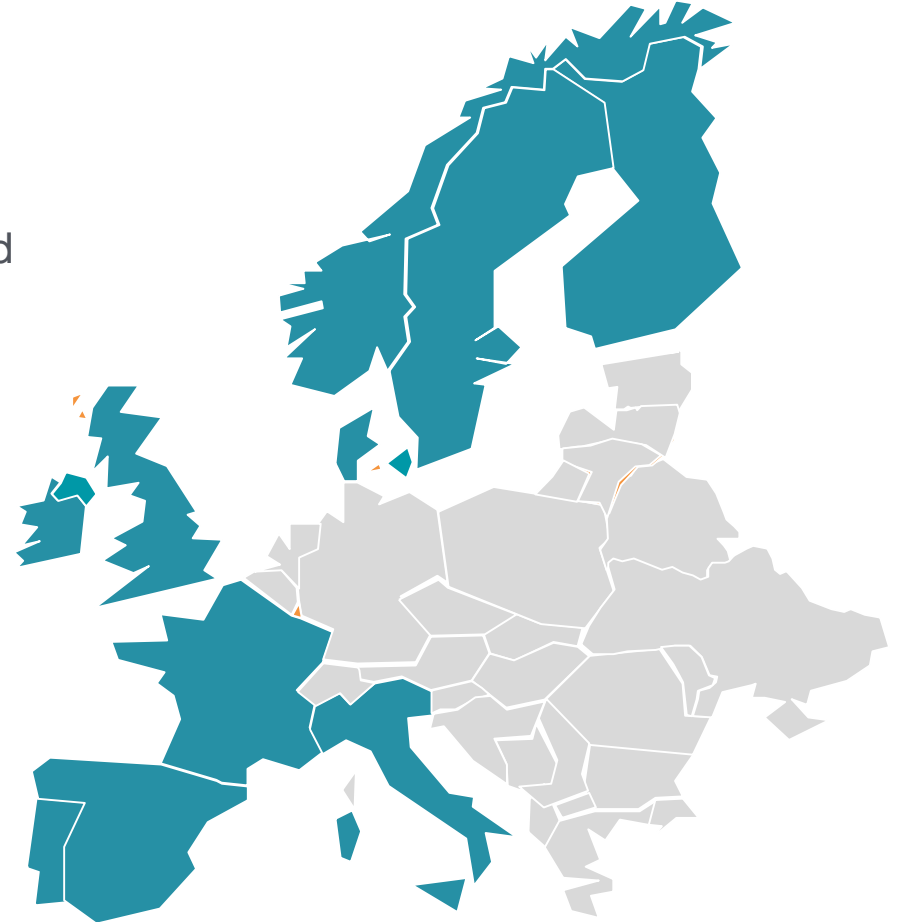
- **UltraDEX growth** – 24% revenue increase in 2017 vs. 2016; greater profitability - £1.1m
- **Brand awareness** – 3 marketing campaigns and in-store focus
- **Online** – traffic increase from c.1,600 users per month in 2016 to 34,000 users in Jan 2018¹
- **Innovation** – packaging re-design, new 1L size launched

¹ A user is a visitor to www.ultradex.co.uk



UltraDEX partnered *in 12 markets*

- UltraDEX is now partnered in **12** territories – all with strong partners and the right strategic fit for the brand
- Presence in the **EU** – 4 key EU markets covered
- Launch scheduled in Q1 2018 for France, Italy and Scandinavia



Countries where
UltraDEX
signed/launched

Countries where
UltraDEX not sold or
partnered

2018 brand plans *UltraDEX*

Marketing

- 3 marketing campaigns in 2018
- London & South East
- Advertising, TV, sampling, social media



Sales

- Increased distribution, new partners
- New convenience channel partners
- More than 15,000 points of distribution



Innovation

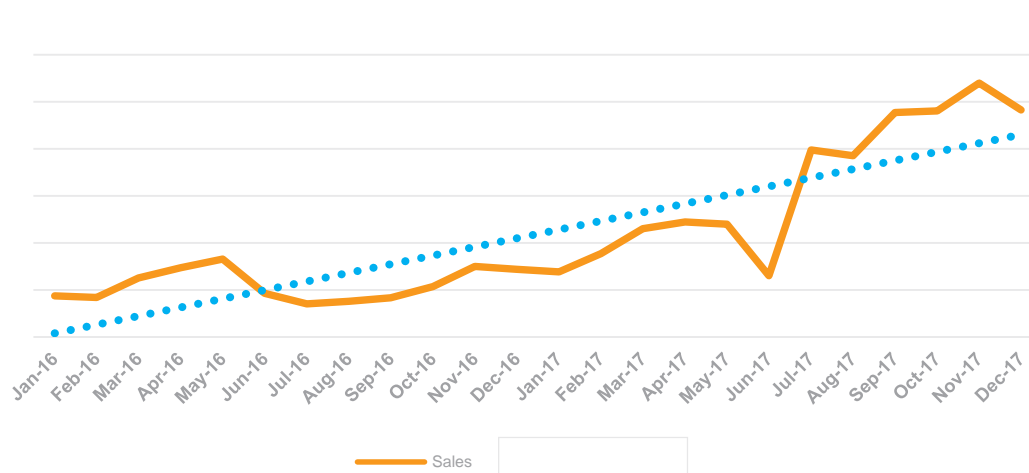
- 2018 new product development
 - UltraDEX One Go
 - Fresh Breath Essentials Kit



Step change *in China 2017 sales*

- Increased distribution to 2,200 stores across mainland China
- Sales in-store reached record levels in H2 2017
- Strong orders in Q1 2018
- Partnership for growth

Lubatti Sales Trend



What to look out for in 2018

- Launch of UltraDEX in France, Italy, Scandanavia
- More licensing deals in EU, USA, Far East and MENA
- New business with existing customers
- Growth in revenues through the year
- Positive PBT, PAT and EPS (market expectations)
- New products launched in the UltraDEX range
- M&A

What is the scale of *the opportunity*

- Self-care market growing, demographics favourable
- Big players identifying consumer self care as a key market (Reckitt Benkiser)
- European self care market is worth over £20bn*
- There is a flow of smaller assets to be divested
- VLG has the fully integrated platform to maximise cash flow and earnings from these assets – **operating leverage**
- Track record of integrating acquisitions
- Consolidating acquisitions of escalating size will rapidly increase profitability and cash flow through operating leverage
- VLG + Brand acquisitions = PAT growth



*Association of the European Self-Medication Industry – Market Data



Appendices



2017 Results

£'M		2016		2017		% Growth
Revenue		14.3		16.1		12%
Gross Profit		5.5		6.5		18%
<i>Gross Margin</i>		38%		40%		2%
Total admin expenses		4.7		4.6		(2%)
EBITDA		0.8		1.9		>100%
Operating Profit/(Loss)		(0.5)		0.6		>100%
Profit/(Loss) before Tax		(1.1)		0.1		>100%
Loss after Tax		(1.4)		(0.4)		73%

Net Debt position 31 December 2017

£'M		2017		Comments
Convertible Bond		1.8		£1.9m convertible bond payable March 2019 (9%)
Vendor Loan notes		1.8		€2m Euro loan note payable July 2020 (4%)
Italian term loans		2.7		€3.1m initial principal
Deferred consideration		0.4		£400k payable March 2019 (10%)
Invoice financing		1.0		
Cash		(1.4)		
Net Debt		6.3		

Italian loan position 31 December 2017

	€'000	Repayment Complete	Interest rate
BNL SPA	300	30/09/20	1% +3m Euribor
Intesa SPA	2,000	30/11/24	0.90% +6m Euribor
Unicredit SPA	800	31/05/23	1.05% + 6m Eurobor
RIBA	770	On demand	£<1%

Shareholder register

Mr Gianluca Braguti (Director)	19.2%
J O Hambro	12.0%
Mr Jerry Randall (Director) and associated holdings	10.7%
Aviva plc	9.6%
Dr Michael Flynn and associated holdings	8.0%
Quilter Cheviot Limited	7.0%
Mrs Sharon Collins (Director)	4.3%
Mr Anthony Ahearne and associated holdings	4.2%
Others	20.7%
TOTAL	100.0%

(34.2% held by directors)