



The partner of choice for self-care products

Venture Life Group plc

Full Year Results Presentation 2018

May 2019



This document (the "**Presentation**") is being provided to a limited number of parties who have previously expressed an interest in acquiring an interest (the "**Investor Interest**") in Venture Life Group plc (the "**Company**"). If you are in any doubt about the investment to which the Presentation relates, you should consult a person authorised by the Financial Conduct Authority who specialises in advising on securities of the kind described in this document.

You acknowledge that the Presentation is confidential and intended for you only and you agree that you will not forward, reproduce or publish the Presentation to any other person.

The sole purpose of the Presentation is to assist the recipient in deciding whether it wishes to proceed with an investment in the Company and in determining the level of any offer for an interest in the Company, but is not intended to form, and shall not be treated as, the basis of any investment decision or any decision to purchase an interest in the Company. The Presentation is not a prospectus and interested parties should not subscribe for or purchase an Investor Interest on the basis of the Presentation. The Presentation does not constitute an offer to sell or an invitation for offers to purchase or acquire any securities or any of the business or assets described therein. The information set out in the Presentation will not form the basis of any contract. Any successful purchaser of an Investor Interest will be required to acknowledge in writing that it has not relied on or been induced to enter any agreement by any representation or warranty, save as expressly set out in such agreement.

The Company has provided the information in the Presentation, which does not purport to be comprehensive and has not been fully verified by the Company or any of its shareholders, directors, advisers, agents or affiliates. No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by the Company or any of its officers, employees or agents or any other person as to or in relation to the accuracy or completeness of the Presentation or the information or opinions contained therein or supplied therewith or any other written or oral information made available to any interested party or its advisers and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information or opinions, for any errors, omissions or mis-statements, negligent or otherwise, or for any other communication, written or otherwise, made to anyone in, or supplied with, the Presentation or otherwise in connection with the proposed sale of the Investor Interest. In particular, no representation or warranty is given as to the achievement or reasonableness of any future projections, management estimates, prospects or returns. Accordingly, none of the Company nor any of its shareholders, directors, advisers, agents or affiliates shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement or omission in, or supplied with, the Presentation or in any future communications in connection with the acquisition of an Investor Interest in the Company. Nothing in this disclaimer purports to exclude liability for fraud.

The recipient agrees to keep confidential any written or oral information contained herein or otherwise made available in connection with the Company. The Presentation must not be copied, reproduced, distributed or passed to others at any time. The recipient has further agreed to return all documents and other material held by it relating to the project referred to in the Presentation upon request. The Presentation has been delivered to interested parties for information only and upon the express understanding that such parties will use it only for the purpose set out above. The Company does not undertake any obligation to provide the recipient with access to any additional information or to correct any inaccuracies herein which may become apparent, and they reserve the right, without advance notice, to change the procedure for the acquisition of an Investor Interest or to terminate negotiations at any time prior to the completion of such acquisition. The issue of the Presentation shall not be taken as any form of commitment on the part of the Company or its owners to proceed with any transaction.

The contents of this document have not been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**"). The Presentation is only being made available to persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and authorised persons or exempt persons within the meaning of FSMA or to persons of the kind described in Articles 19(5) or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. It is not intended to be communicated, distributed or passed on, directly or indirectly, to any other class of persons. It is a condition of your receiving the Presentation that you fall within, and you warrant to the Company that you are such a person. If a recipient of the Presentation does not fall within one of the categories above, it should either return, destroy or ignore the information in the Presentation.

The statements contained in the Presentation may include "forward looking statements" that express expectations of future events or results. All statements based on future expectations rather than on historical facts are forward looking statements that involve a number of risks and uncertainties and the Company does not give any assurance that such statements will prove to be correct. Actual results and developments may differ materially from those expressed or implied by any forward looking statements. Any forward looking statements made by or on behalf of the Company speak only as of the date they are made. The Company does not undertake to update forward looking statements to reflect any changes in expectations, events, conditions or circumstances upon which such statements are made. The Presentation contains (or may contain) unpublished price sensitive information with regard to the Company and/or its securities. Recipients of the Presentation should not deal or encourage any other any other person to deal in the securities of the Company whilst they remain in possession of such unpublished price sensitive information and until the transaction described in the Presentation is announced. Dealing in securities of the Company when in possession of unpublished price sensitive information could result in liability under the insider dealing restrictions set out in the Criminal Justice Act 1993 ("**CJA**") and the Market Abuse Regulation No. 596/2014 ("**MAR**"). The Presentation may contain information which is not generally available, but which, if available, would or would be likely to be regarded as relevant when deciding the terms on which transactions in the shares of the Company should be effected. Unreasonable behaviour based on such information could result in liability under MAR or the CJA.

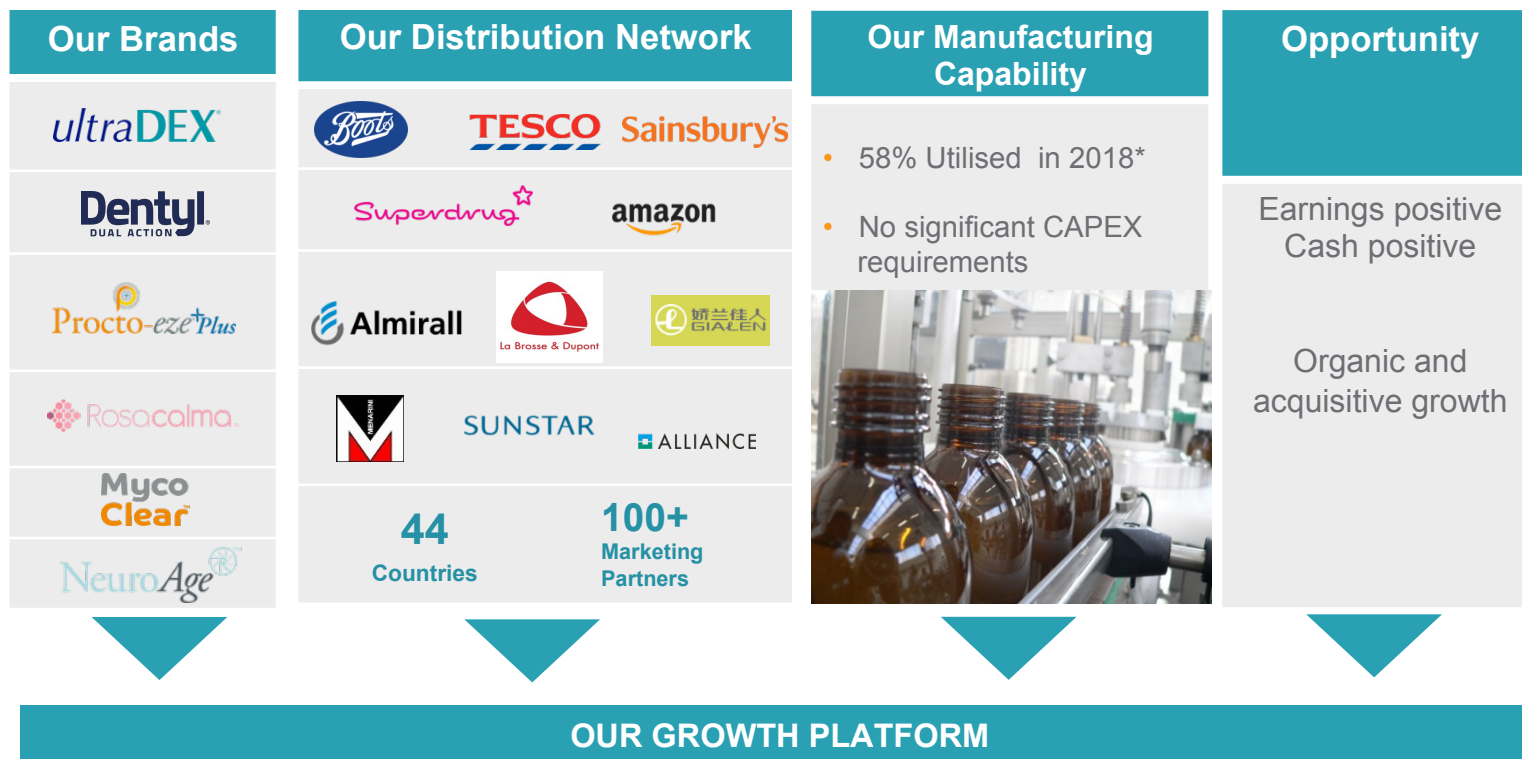
Any prospective purchaser interested in acquiring an Investor Interest in the Company is recommended to seek independent financial advice. Law in certain jurisdictions may restrict the distribution of this document or of the giving of the Presentation and any subsequent offer for sale or sale of the Investor Interest. Persons into whose possession this document or the information from the Presentation comes are required to inform themselves as to and observe any such restrictions. Neither this document, nor any copy of it, may be taken or transmitted into the United States, Canada, Australia, Japan or South Africa or into any jurisdiction where it would be unlawful to do so. Any failure to comply with this restriction may constitute a violation of relevant local securities laws.

No securities of the Company have been or will be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States or under the securities laws of Australia, Canada, Japan, New Zealand or the Republic of South Africa and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act). There will be no public offer of securities in the United States.

By accepting receipt of this document or attending the accompanying presentation, you agree to be bound by the limitations and restrictions set out above.

Our platform *for sustainable growth*

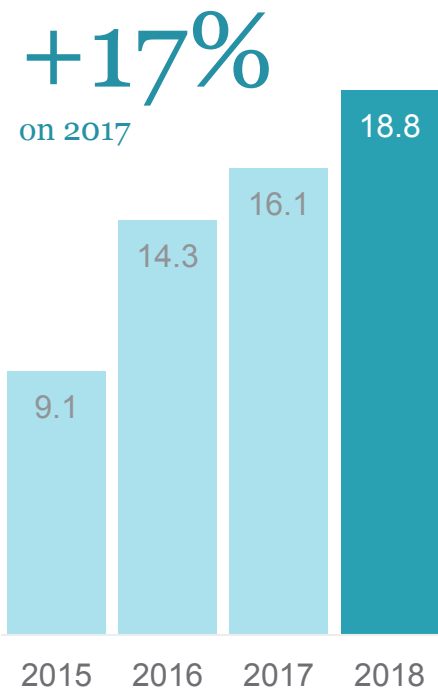
Strategy: Our growth strategy aims to leverage the scalable platform built at Venture Life



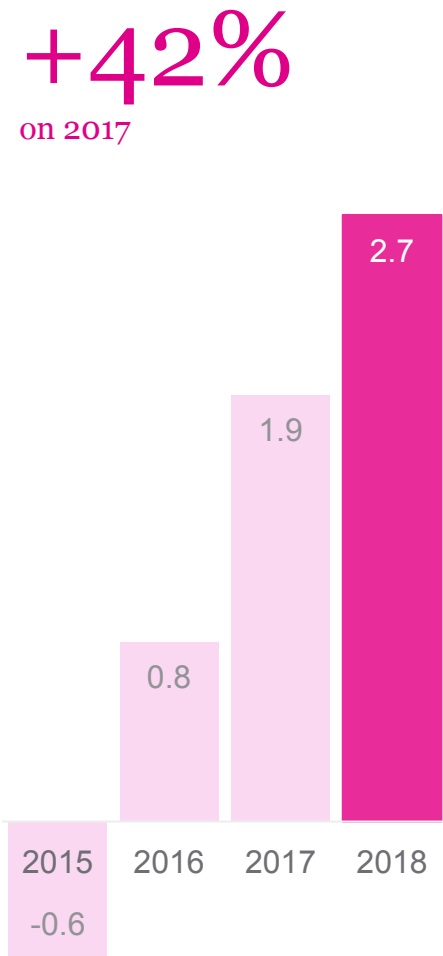
*Utilisation (as % of 40m units per year capacity)

2018 highlights

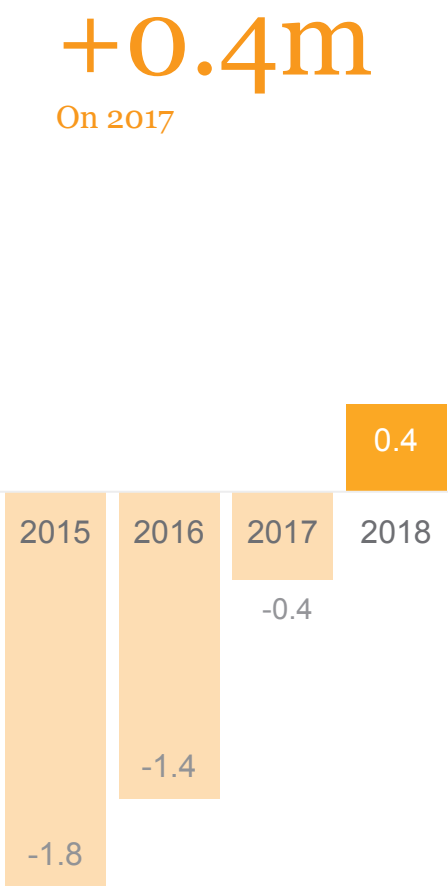
Revenue (£m)



EBITDA* (£m)



Post tax profit* (£m)



* Before exceptional items

2018 highlights

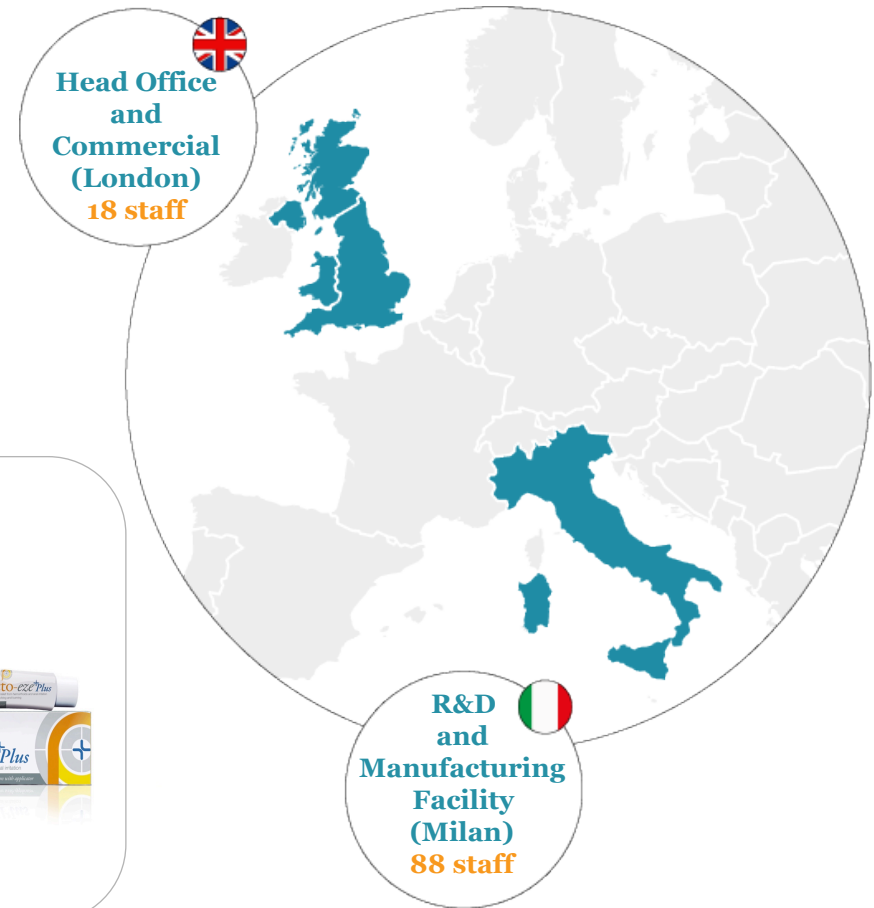
- Group revenues increase **+17%** to **£18.8 million** (2017: £16.1 million)
- Gross profit increase **+12%** to **£7.3 million** (2017: £6.5 million)
- Gross margin **39%** (2017: 40%)
- EBITDA increased **42%** to **£2.7 million¹** (2017: £1.9 million)
- First profit after tax **£0.4 million¹** (2017: loss of £0.4 million)
- Net cash at period end of **£5.8 million** (Dec 2017: Net debt of £6.3million)
- Equity placing of **£18.75 million** gross in July 2018
 - **Acquisition** of Dentyt brand
 - **Repayment** of £3.7 million of convertible debt & £0.4 million deferred consideration

(1) Before exceptional items



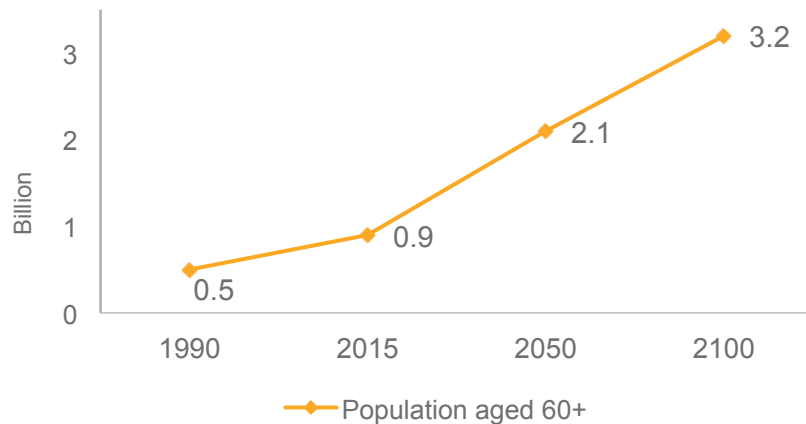
Significant growth potential in *self-care market*

- International consumer self-care group - founded 2010
- Portfolio of marketed products, growing partner base, product pipeline
- Products sold in 40+ countries, 100+ partners



Our market *opportunity*

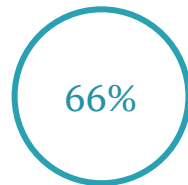
The population is ageing and growing rapidly¹



Healthcare budgets are under increasing pressure²



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

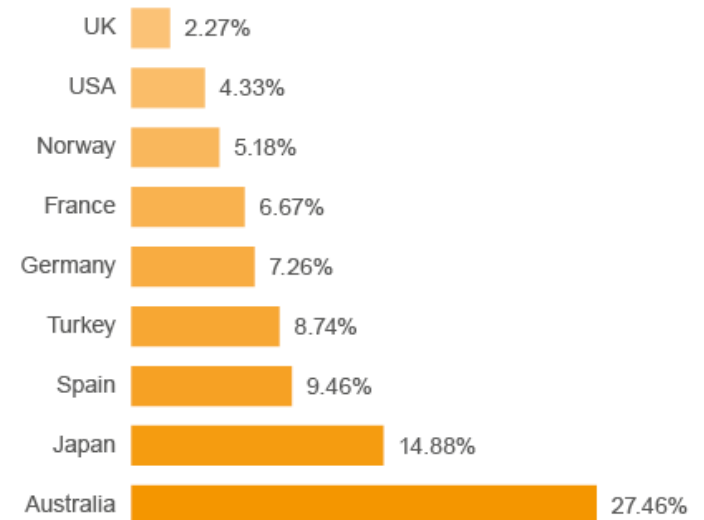


Percentage of NHS trusts in deficit in 2015-16



Savings the NHS needs to make by 2020-21

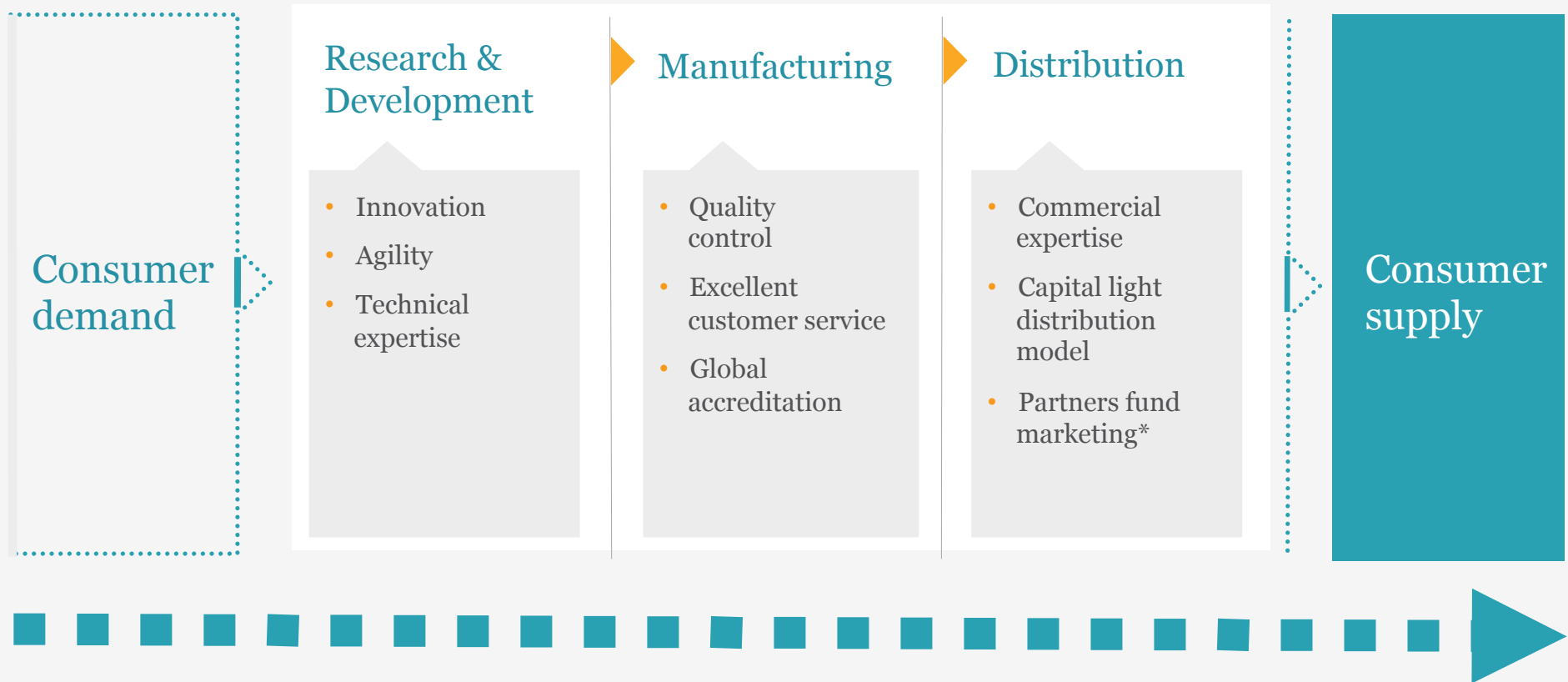
Self-medication market annual change 2014-15³



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*

UK Partners



International Partners



Self-care product *portfolio*

Key Self-care Categories

Oral Health



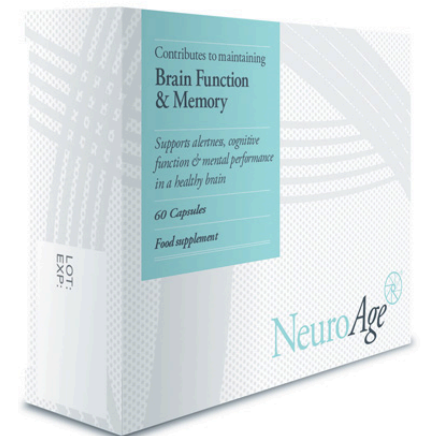
Proctology



Dermatology



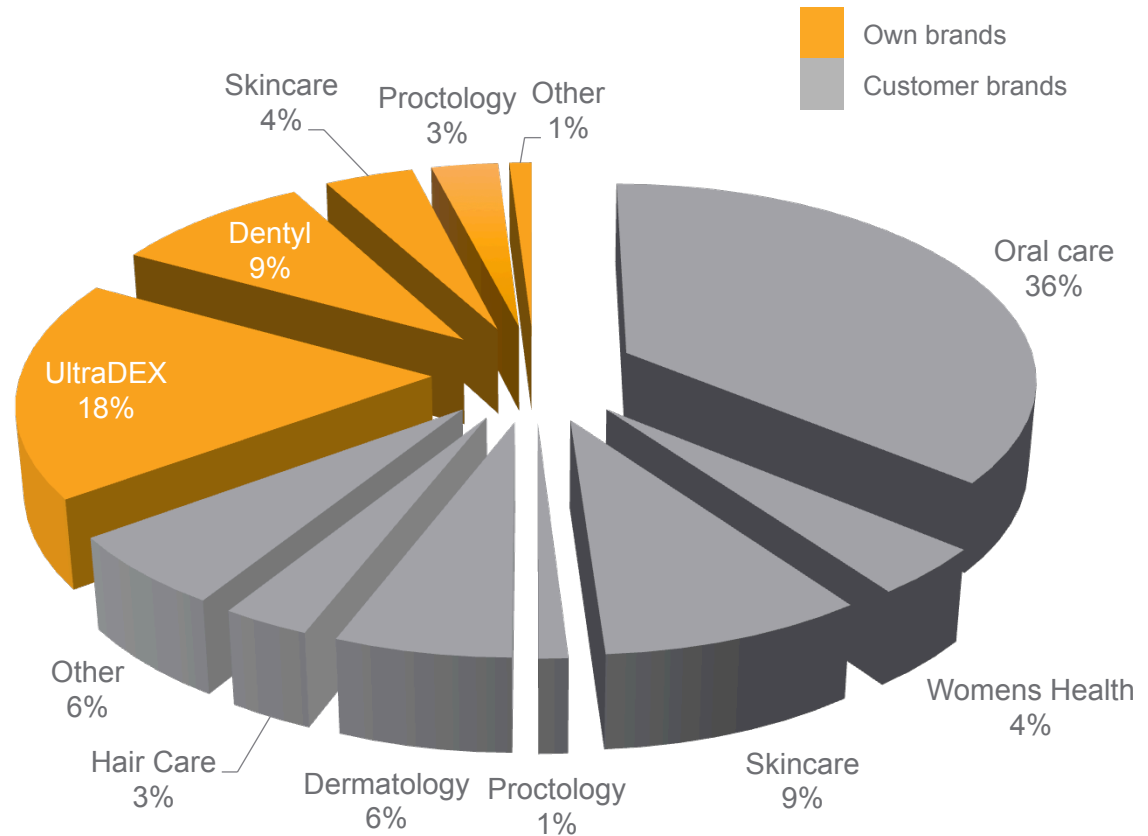
Brain Function & Memory



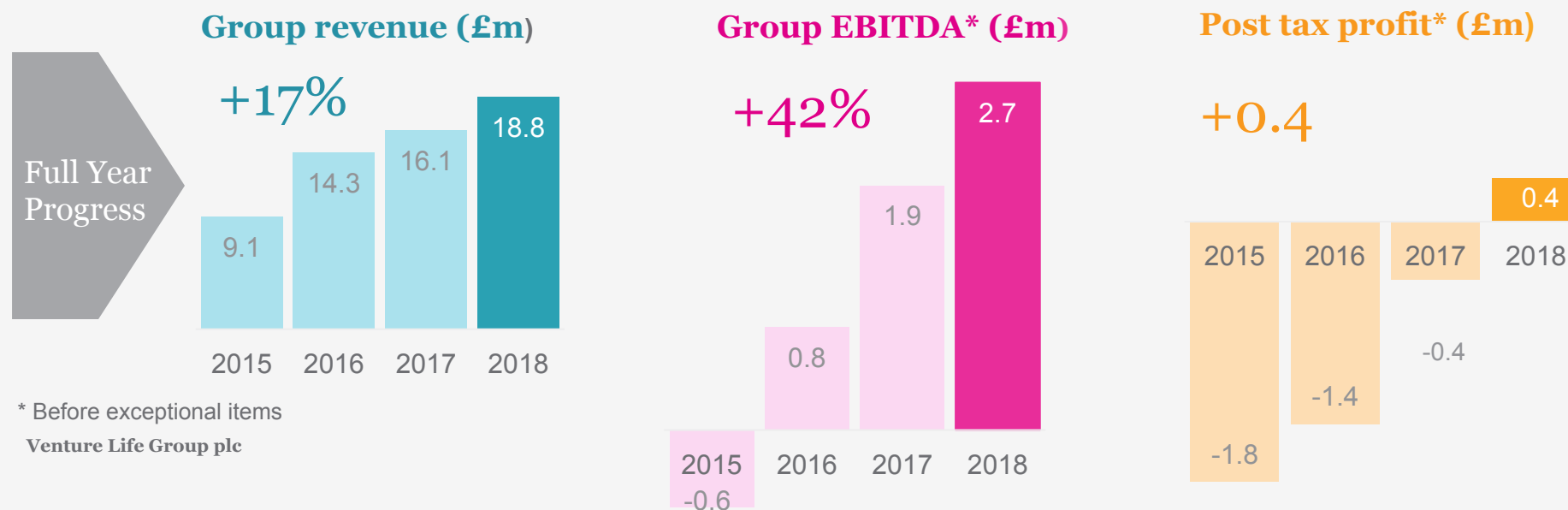
Expertise by *therapeutic area*

- Long standing Group expertise in oral care
- Wide therapeutic coverage
- Establishing our own brands in key areas
- Utilising our strong technical expertise

2018 Group revenues by main therapeutic areas



Delivering growth *through focus on strategic drivers*





Financial Highlights



2018 KPI's

£ million		2018	2017	Growth
Revenues		18.8	16.1	17%
Gross margin %		39%	40%	-2.5%
Adjusted EBITDA		2.7*	1.9	42%
Profit before tax		0.9*	0.1	800%
Profit/(loss) after tax		0.4*	(0.4)	n/a
Operating cash generation		2.7*	1.7	59%

Comments:

- Revenues **up** by **17%**
- EBITDA* **up** by **42%**
- **Maiden profit after tax**

*Before exceptional items

2018 *profit and loss account*

£ million		2018	2017	% change
Revenue		18.8	16.1	17%
Gross Profit		7.3	6.5	12%
Gross Margin		39%	40%	-
Total admin expenses		6.2	6.0	3%
Adjusted EBITDA		2.7*	1.9	42%
Operating Profit/(Loss)		1.2*	0.6	100%
Profit before Tax		0.9*	0.1	800%
Profit /(Loss) after Tax		0.4*	(0.4)	N/A

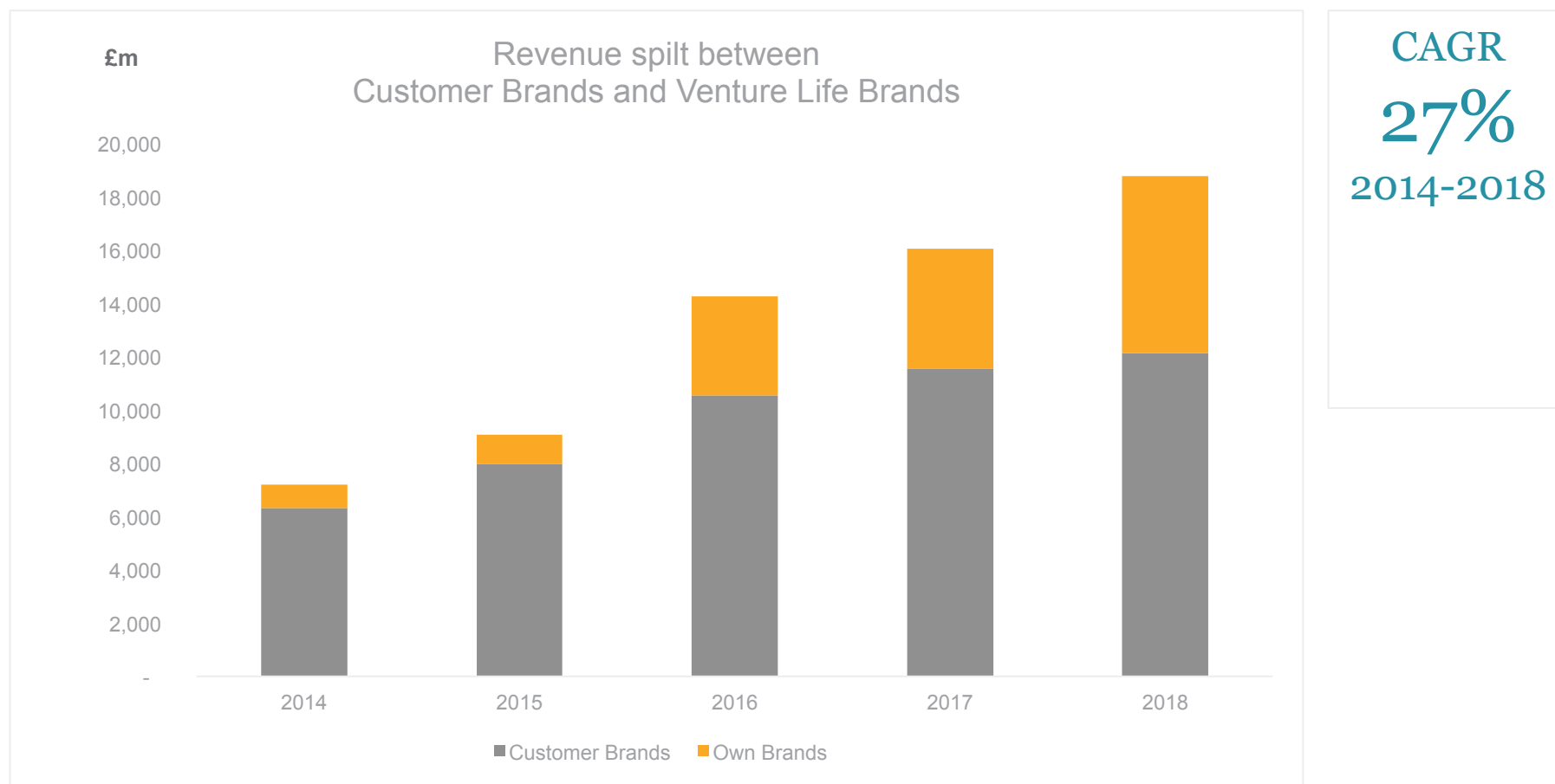
Comments:

- Revenue growth up **+17%**
- Gross profit **+12%**
- Adjusted EBITDA* **+42%**
- **Maiden profit after tax**

* Before exceptional items

Revenues 2018

- Revenues increased 17% to £18.8 million (2017: £16.1 million)



Revenues *2018 v 2017*

£ million	2018	2017	% change
UltraDEX UK	2.7	2.8	-4%
Dentyl UK	0.8	-	n/a
Subtotal for UK	3.5	2.8	25%
UltraDEX International	0.6	0.6	-
Dentyl International	0.8	-	n/a
Other International	1.8	1.1	64%
Subtotal for International	3.2	1.7	88%
Subtotal for Brands	6.7	4.5	49%
Biokosmes (excl. intercompany)	12.1	11.6	4%
Total Revenue	18.8	16.1	17%

Balance sheet

£ million	December 2018	December 2017
Fixed assets	24.9	21.2
Cash	9.6	1.4
Other current assets	11.2	8.7
Total assets	45.7	31.3
Total debt (excluding finance leases)	3.8	7.7
Other liabilities	9.9	9.4
Total equity	32.1	14.2
Total equity and liabilities	45.7	31.3
Net cash / (debt)	5.8	(6.3)

Comments:

- Stronger balance sheet
- Cash balance more than £8 million higher than prior year
- Reduction of debt
- Turnaround from net debt to net cash



Commercial Highlights



Commercial Highlights 2018 - Venture Life *brands*

Performance

- Increased UK distribution – existing and new
- 16 new international distribution agreements completed
- 5 new product launches

Innovation

- 3 in-house line extensions developed
- Innovation on UltraDEX for 2019
- Innovation on Dentyl underway

Acquisition

- Acquisition of Dentyl brand - August 2018
- Successful integration into the commercial team
- International expansion +3 agreements



growth in
brands
business

Brand highlights 2018 - *UltraDEX*

UltraDEX - UK

- Increased distribution in UK
- New business – Lloyds, Day Lewis Pharmacy
- Better in-store positioning
- Innovation
- Headwinds in the UK market

UltraDEX - international

- Partnered in 9 new international markets - 20 markets in total
- New agreements completed in Belgium, Austria, Ireland, Malta, China, Hong Kong, Macau, Taiwan, Iraq and UAE
- China – marketing has started

+39%

Dec-18 vs. Year Ago Period

UltraDEX UK Distribution



Better positioning



New Business



Innovation

+9

New markets

International expansion



Key international markets

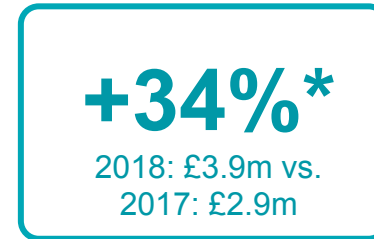
Brand highlights 2018 - *Dentyl*

UK - Dentyl

- Strong performance of Dentyl
- New listings in UK for Dentyl
- Dentyl BB Mints – Morrisons, WH Smith Travel, Amazon, Ocado
- Marketing commenced
- Legacy delists – Waitrose, Wilko, discounters

International markets - Dentyl

- China – marketing underway from May 2018
- £1.6m* revenue shipped to China in 2018
- Partnered in 3 new international markets - 6 markets in total (including UK)



Net sales



Dentyl UK expansion



Marketing



New markets



China net sales



Marketing in China



*proforma basis

★★★★★ 27 January 2019

“ great mouthwash, alcohol and “burn’ free ”

tastychaser

Share

only mouthwash I like using, really pleased to be able to buy on ocado - please keep stocking it

Customer brands highlights 2018

+5%

2018 vs. 2017
net sales £
excluding intercompany

Revenue growth

+17

Key development
projects started

R&D

+11

New agreements
signed

New business



Formulation in-house

Venture Life Group plc

 **ALLIANCE**

2026

New manufacturing
Agreement

Key partnerships

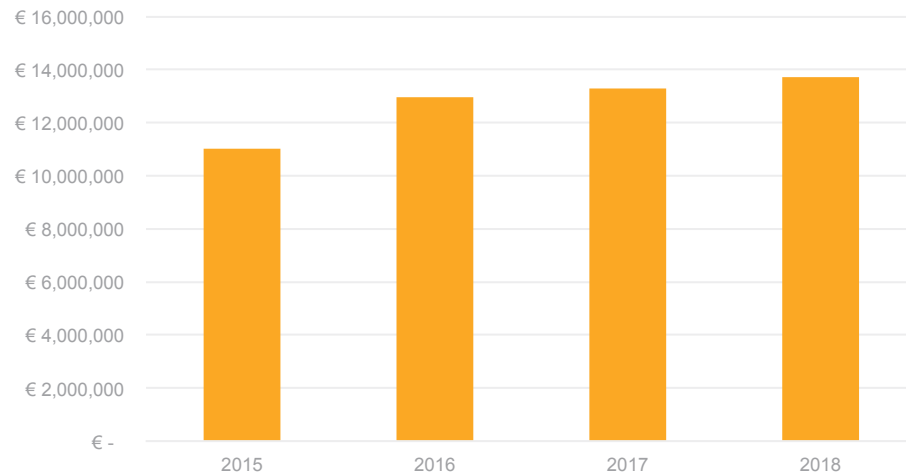
23m

10% growth
vs. LY

Units manufactured

Customer brands

Revenue growth - customer brands



- 25% revenue growth since 2015
- 5 key strategic partners accounting for two thirds of business in 2018
- Solid relationships with key partners

Main customers*

 ALLIANCE

SUNSTAR

 Almirall

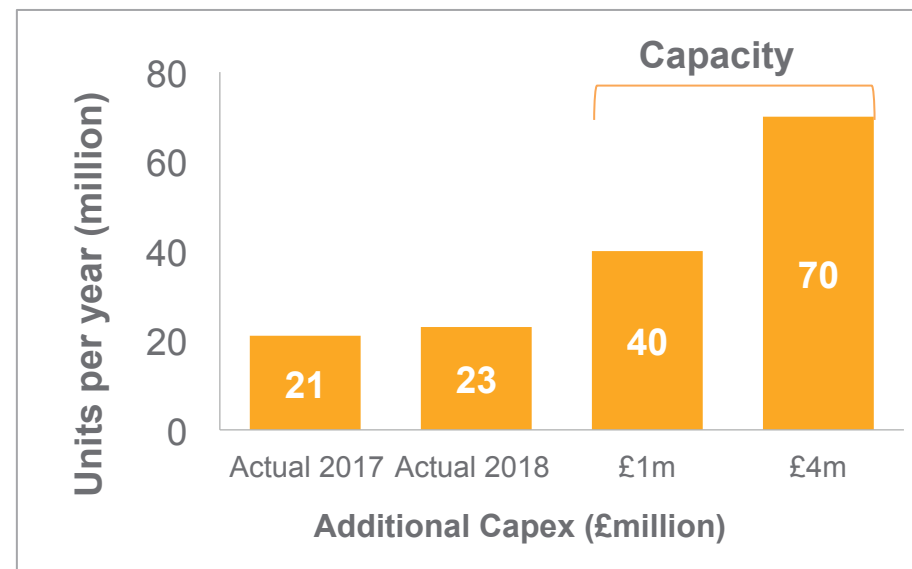
 HELSINN

 *the* **MENARINI**
group

* 2018 revenue



Our Manufacturing *Scalability*



2018 Group revenue	£18.8m
Utilisation (as % of 40m units per year capacity)	58%
No. of products produced in 2018	23m
Anticipated capacity with £1m additional annual capex (i.e. 2% of manufacturing revenue per year for next 3 years)	40m
Capacity with £4m additional capex	70m
No. of employees in production	62
Average employee tenure	10 years

Near term *priorities*

Acquisition

- Acquisition of small to medium sized assets
- Earnings enhancing

Innovation

- In-house development of Dentyl asset
- UltraDEX line extensions

Development

- Continued development of R&D projects
- Continued development of manufacturing projects

Growth

- Continued organic growth
- Accelerated growth through acquisition

Conclusion – *full year results 2018*

- Record performance in 2018
 - Underlying organic and acquired growth
 - Growth in EBITDA and PBT
 - Maiden profit after tax*
- Acquisitive strategy to continue to accelerate profitability
- Successful equity raise in 2018
- Strong balance sheet, with cash for further acquisitions
- Global partners, global reach
- Built growth platform that can be leveraged



+17%
**Revenue
growth**

39%
**Gross
margin**

£2.7*m
EDITDA

£0.4*m
PAT

18
new
**institutional
shareholders**

*Before exceptional items

Venture Life Group plc

Summary

Summary

- Self-care market growing
- VLG platform for sustainable growth
- Circa £8m free cash available, plus debt facilities for further acquisitions
- Impact of further acquisitions **NOT** in market forecasts
- Proven track record in M&A
- **VLG + brand acquisitions = accelerated PAT growth**

2019 Outlook

- Dentyl – manage, integrate, China opportunity
- Full year impact of Dentyl
- Cash generative going forward
- Brexit planning in place - group well insulated on an ongoing basis





Appendices



An experienced *management team*



Jerry Randall
Chief Executive Officer

- Experienced executive director in international healthcare in both private and public companies
- Extensive experience in international licensing, M&A, fund raising and capital markets
- Previously co-founder of Sinclair Pharma plc growing it to £30m revenues
- Co-founder of Venture Life



Sharon Collins
Chief Commercial Officer

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



Gianluca Braguti
Chief Manufacturing Officer

- 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



Andrew Waters
Chief Financial Officer

- Chartered Accountant
- Previously worked at PWC and then spent 16 years at GlaxoSmithKline
- Co-founded two businesses, Cubase Consulting Ltd and Infirst Healthcare, raising in excess of £40 million from private equity

Net Debt/(Net Cash) position

£'M	December 2018	December 2017	Comments
Convertible Bond	-	1.8	Bond repaid Sept 2018
Vendor Loan notes	-	1.8	Loan note repaid Sept 2018
Italian term loans	2.6	2.7	€3.1m principal
Deferred consideration	-	0.4	Consideration repaid Sept 2018
Invoice financing	1.2	1.0	On-going facility
Cash	9.6	1.4	
Net Cash/(Net debt)	5.8	(6.3)	Well strengthened and turnaround of net cash

Italian loan position 31 December 2018

	€'000	Planned Full Repayment	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 Euribor
RIBA	1,390	On demand	£<1%

Shareholder *register*

Major Shareholders

The percentage of shares that are not in public hands is 26.1%.

Shareholder	Number of shares held	% issued share capital
JO Hambro Capital Management Limited	9,037,892	10.8%
BGF Investment Management Limited	7,880,000	9.4%
Mr Gianluca Braguti* and associated holdings	7,085,459**	8.5%
Gresham House Asset Management Ltd	6,244,000	7.8%
Ennismore Fund Management Limited	6,250,000	7.5%
Otus Capital Management LP	5,500,000	6.6%
River & Mercantile Asset Management LLP	4,409,500	5.3%
Mr Jerry Randall* and associated holdings	3,931,129	4.7%
Quilter PLC	3,803,275	4.5%
Dr Michael Flynn and associated holdings	2,812,577	3.3%
Sharon Daly* (née Collins)	1,660,000	2.0%

* Management

** Includes 300,000 shares owned by his wife and 2,000,000 owned by his adult children. Mr Braguti retains control of the voting rights for these 2,300,000 whilst he remains a Director of Venture Life Group plc.