



The partner of choice for self-care products

Venture Life Group plc

Interim results presentation

September 2019



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About *Venture Life*

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

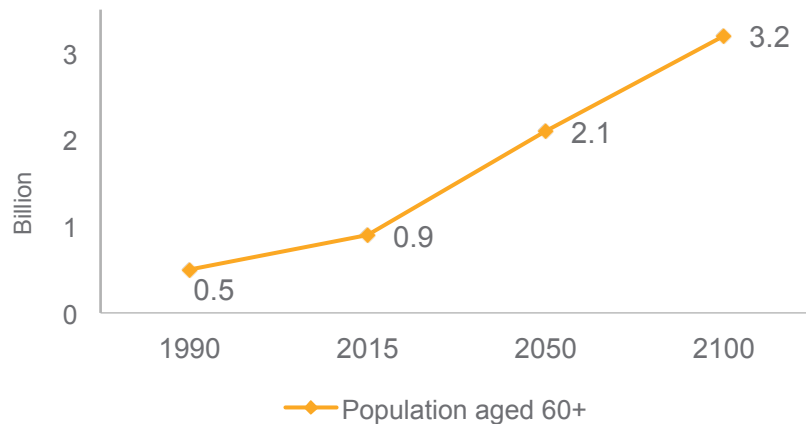



**Head Office
and
Commercial
(London)**
16 staff


**R&D
and
Manufacturing
Facility
(Milan)**
88 staff

Our market *opportunity*

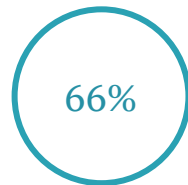
The population is ageing and growing rapidly¹



Healthcare budgets are under increasing pressure²



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

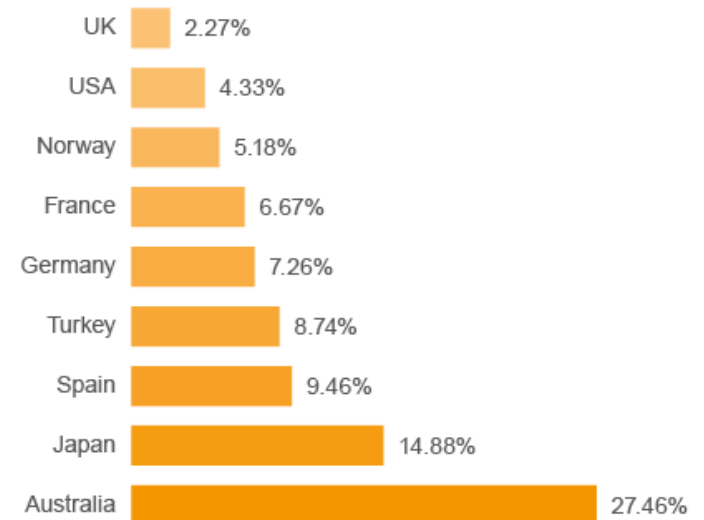


Percentage of NHS trusts in deficit in 2015-16



Savings the NHS needs to make by 2020-21

Self-medication market annual change 2014-15³

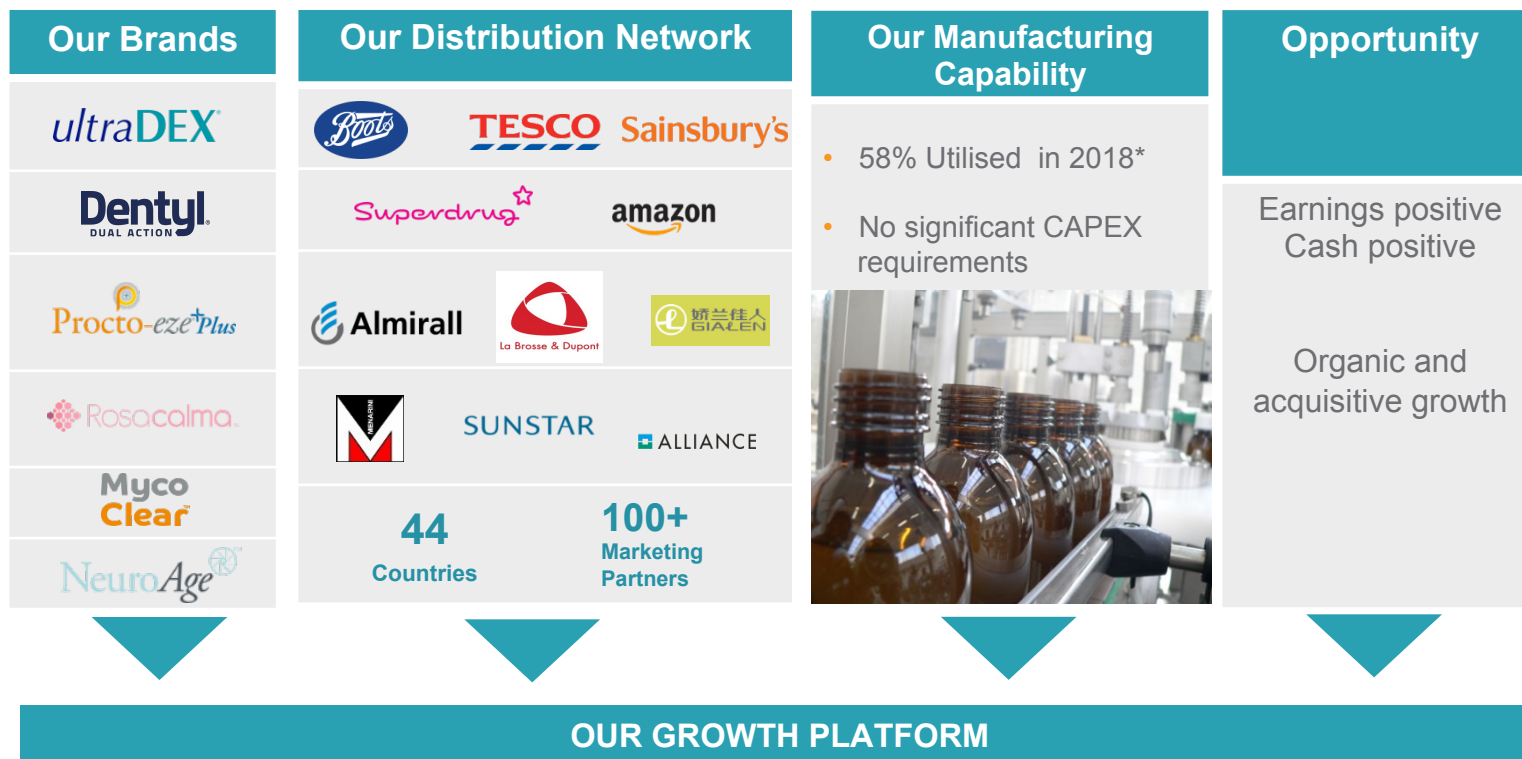


Sources:

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 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)

H1 2019 Highlights

- 7 new international partnering agreements signed
- Dentyl brand growth with new business
- Acquisitive strategy to continue to accelerate profitability
- Strong balance sheet, with cash for further acquisitions
- Global partners, global reach
- Built growth platform that can be leveraged
- Included in 'London Stock Exchange's 1000 Companies to Inspire Britain 2019 – fourth consecutive year



+14%
**Revenue
growth**

37.3%
**Gross
margin**

£0.7*m
EDITDA

£0.3*m
PBT

£1.3m
**Operating
cash
generation**

*Before exceptional items

Venture Life Group plc

Six months ended 30th June 2019 *financial highlights*

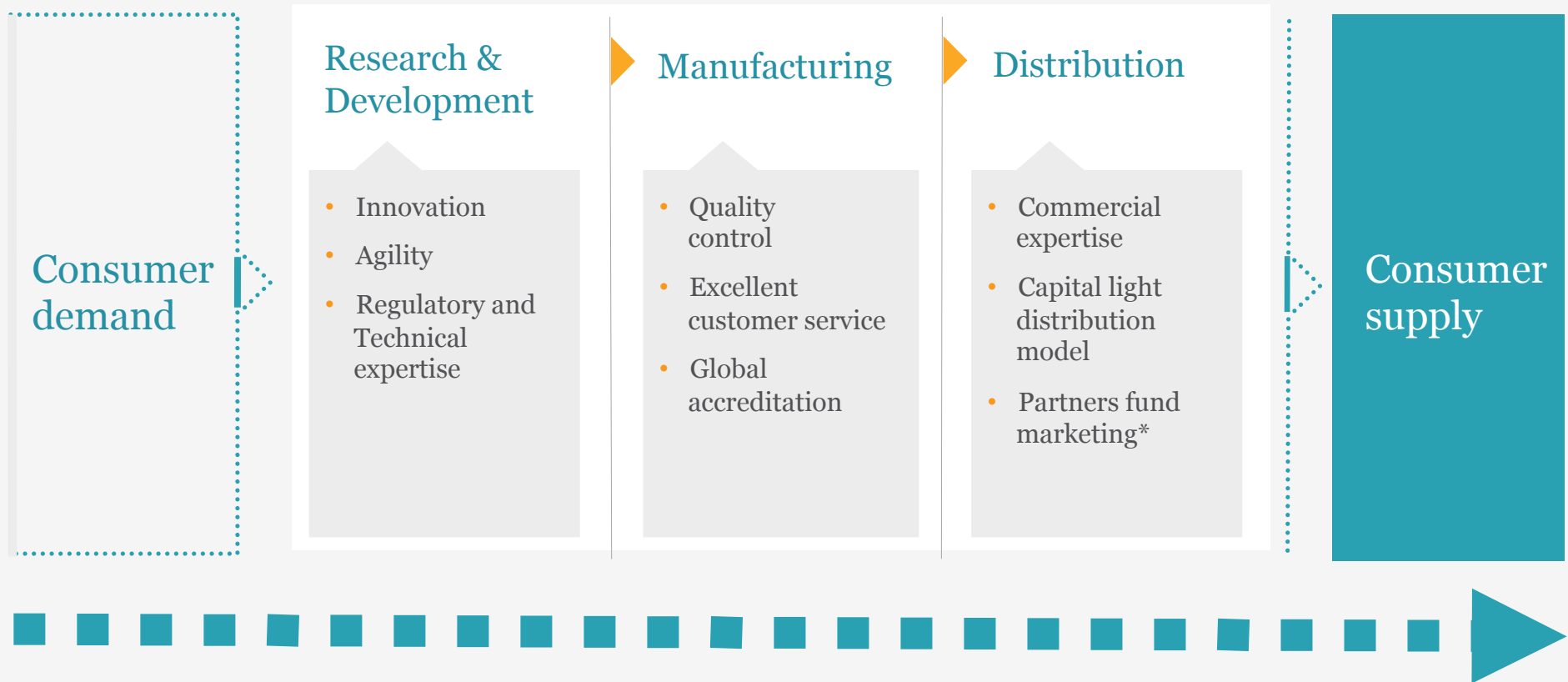
- Revenues up +14% to **£9.4 million** (H1 2018: £8.3 million)
- Gross profit increased +18% to **£3.5 million** (H1 2018: £3.0 million)
- Gross margin increased to **37.3%** (H1 2018: 36.0%)
- Adjusted EBITDA increased **5.5%** to **£0.7 million¹** (H1 2018: £0.7 million)
- Profit before tax, amortisation and exceptional items increased to **£0.3 million** (H1 2018: £0.1 million)
- Adjusted profit share² of **£0.4p** (H1 2018: adjusted loss of 0.3p)
- Net cash generated from operating activities of **£1.3 million** (H1 2018: £0.2 million)
- Cash at period end of **£10.9 million** (31 December 2018: £9.6 million)

(1) Before exceptional items

(2) Adjusted profit share is loss after tax excluding amortisation, exceptional items and share-based payments



Our fully *integrated model*



Global *distribution network*

UK Partners



International Partners



Self-care product *portfolio*

Key Self-care Categories

Oral Health



Proctology



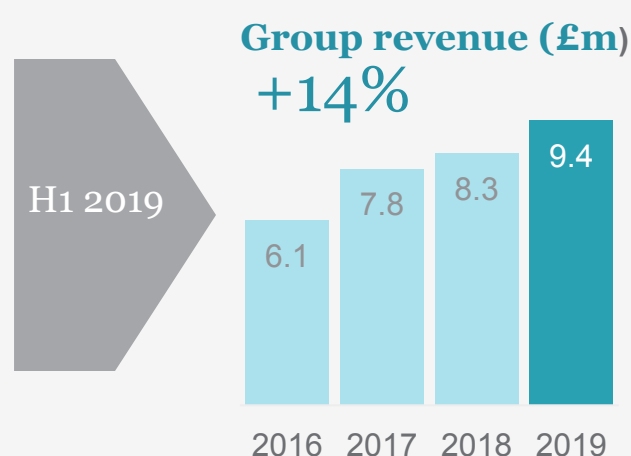
Dermatology



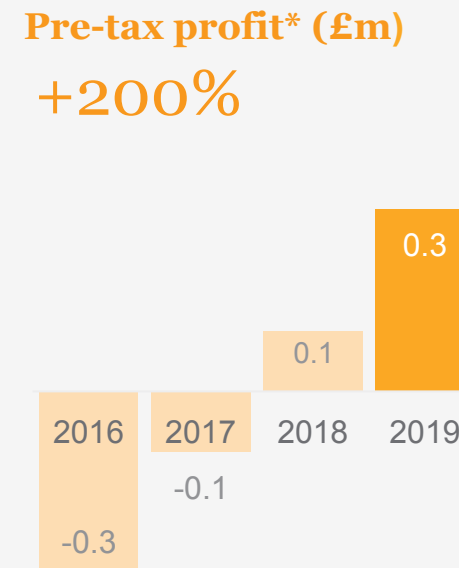
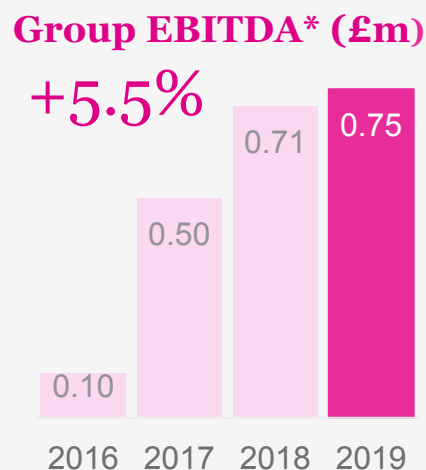
Brain Function & Memory



Delivering growth *through focus on strategic drivers*



* Before exceptional items
Venture Life Group plc





Financial Highlights

H1 2019 *profit and loss account*

£ million		H1 2019	H1 2018	% change
Revenue		9.4	8.3	14%
Gross Profit		3.5	3.0	18%
Gross Margin		37.3%	36.0%	3.5%
Total admin expenses		3.6	3.0	18%
Adjusted EBITDA		0.75*	0.71	5.5%
Operating Profit/(Loss)		-*	-	n/a
Profit /(loss) before Tax		-*	(0.2)	n/a
Profit /(Loss) after Tax		(0.3)*	(0.4)	n/a
Operating cash generation		1.3	0.2	543%

Comments:

- Revenue growth up **+14%**
- Gross profit **+18%**
- Adjusted EBITDA* **+5.5%**

* Before exceptional items

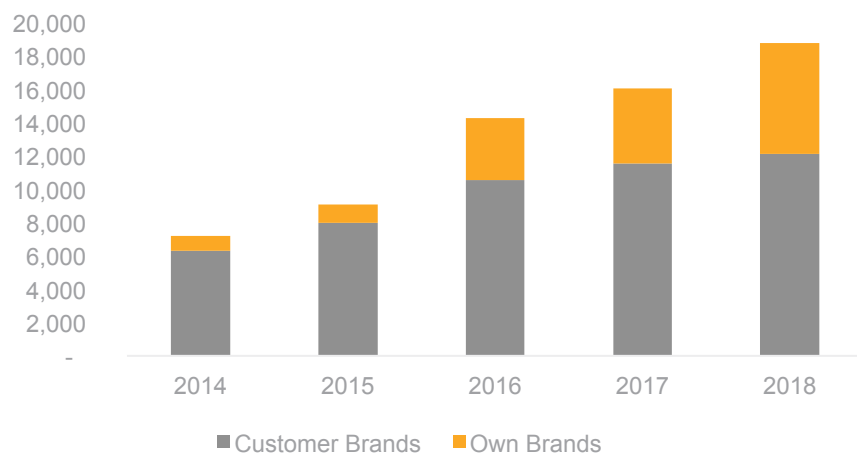
Revenues *H1 2019*

- Revenues increased 14% to £9.4 million (H1 2018: £8.3 million)

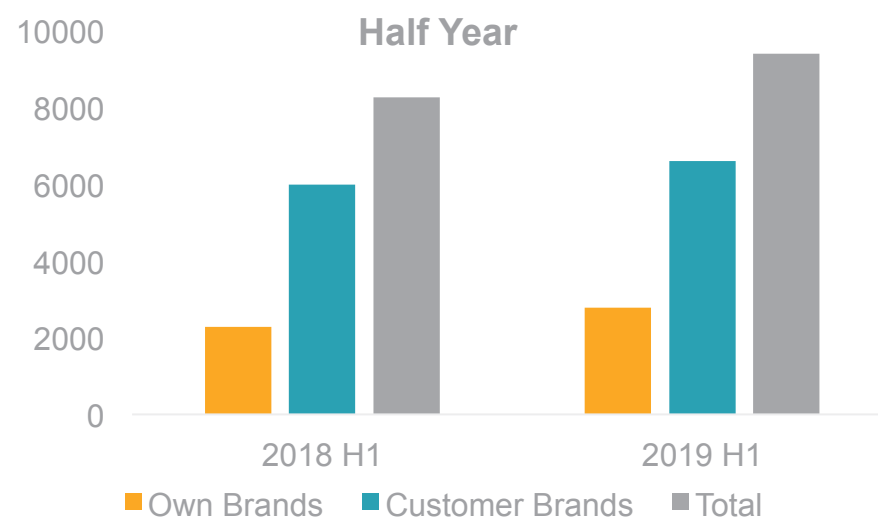
CAGR
27%
2014-2018

Growth
14%
H1 2019 v H1 2018

£m
Revenue split between
Customer Brands and Venture Life Brands
Full Year



£m
Revenue split between Customer Brands
and Venture Life Brands
Half Year



Balance sheet

£ million	June 2019	December 2018
Fixed assets	24.9	25.1
Cash	10.9	9.6
Other current assets	10.7	10.9
Total assets	46.5	45.6
Total debt (excluding finance leases)	4.5	3.8
Other liabilities	10.2	9.7
Total equity	31.8	32.1
Total equity and liabilities	46.5	45.6
Net cash / (debt)	6.4	5.8

Comments:

- Strong balance sheet
- Cash balance more than £10 million
- Additional €1m of low cost long-term debt



Commercial Highlights



Brand highlights H1 2019 - *UltraDEX*

UltraDEX - UK

- Waitrose delist, slow NPD uptake
- New business – ASDA, Well Pharmacy, AAH
- Existing business - Superdrug
- Marketing campaign launched – #youneverknow

UltraDEX - international

- 2 line extensions launched in 2 markets
- China – launched UltraDEX, good uptake on the spray in particular



Brand highlights H1 2019 - *Dentyl*

UK - Dentyl

- Growth with new business - Lloyds pharmacy, Morrisons
- Existing business - Superdrug
- Marketing campaign – #ifitsnotinthesinkitsinyourmouth
- Legacy delists/one-offs – Waitrose, Wilko, discounters

International markets - Dentyl

- China – issues hampered sales in H1
- Committed to brand – Dentyl Fresh Breath Beads (BB Mints) and Dentyl Toothpaste
- Finland – new long-term distribution agreement on Dentyl signed

Post-period end

- France – new long-term distribution agreement on Dentyl signed

LloydsPharmacy



MORRISONS



International Highlights H1 2019

Venture Life *brands*

- 7 long term distribution agreements completed, including Myco Clear in France
- Clinical study for Myco Clear – Q2 2020 completion
- 14 new product launches in H1 2019
- Procto-eze performing well – good case study
- Lubatti/China – new online strategy



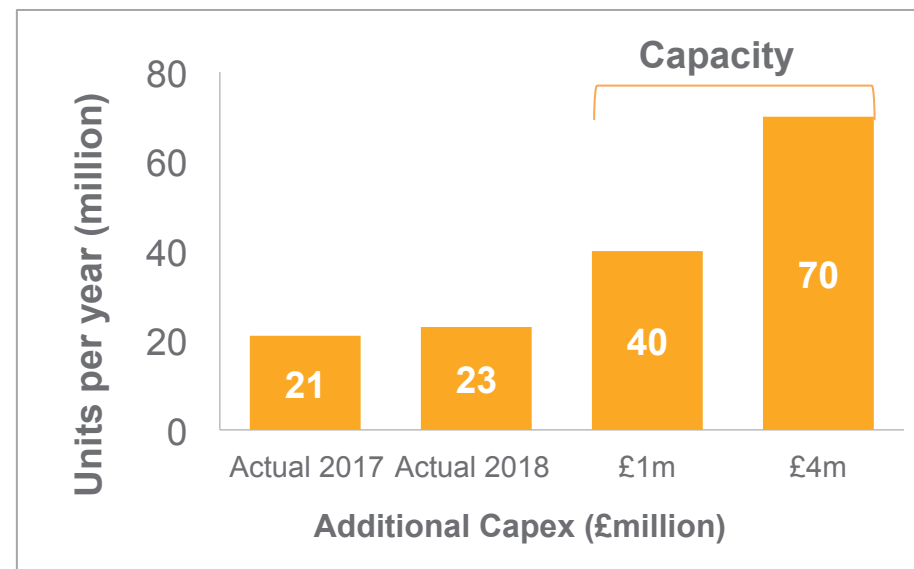
Customer own *brands*

- 10% revenue growth in H1 2019
- 4 development and manufacturing agreements signed
 - Italfarmaco – new long-term agreement
 - Alfasigma – new long-term agreement
 - Giellepi – new long-term agreement for new medical device
- 2 R&D projects under development





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 units
Capacity with £4m additional capex	70m units
No. of employees in production	62
Average employee tenure	10 years

Strategic *priorities*

Acquisition	<ul style="list-style-type: none">• Acquisition of small to medium sized assets• Earnings enhancing
Innovation	<ul style="list-style-type: none">• In-house development of Dentyl asset• UltraDEX line extensions
Development	<ul style="list-style-type: none">• Continued development of R&D projects• Continued development of manufacturing projects
Growth	<ul style="list-style-type: none">• Continued organic growth• Accelerated growth through acquisition

Summary

- Self-care market growing
- VLG platform for sustainable growth
- Circa £10m free cash available, plus debt facilities for further acquisitions
- Impact of further acquisitions **NOT** in market forecasts
- Proven track record in M&A
- Dentyl – manage, integrate, China opportunity
- **VLG + brand acquisitions = accelerated PAT growth**
- Cash generative going forward
- Brexit planning in place - group well insulated on an ongoing basis
- Strong growth position – large market opportunity, expanding partner base and solid product pipeline
- Well positioned for long-term growth





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

Award *winning*

We are extremely proud to have been awarded several awards, recognising both our fast and **dynamic** business **growth** and our **strong leadership**



Net Debt/(Net Cash) position

£'M	June 2019	December 2018	Comments
Italian term loans	3.4	2.6	€4.1m principal
Invoice financing	1.1	1.2	On-going facility
Cash	10.9	9.6	
Net Cash/(Net debt)	6.4	5.8	Well strengthened net cash

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	8,370,717	9.9%
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	3,910,729	4.7%
Quilter PLC	3,803,275	4.5%
LGT Vestra LLP	3,184,510	3.8%
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.