



The partner of choice for self-care products

Venture Life Group plc

Interim Results Presentation

September 2020



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H1 2020 *financial highlights*

- Group revenues increased **80%** to **£16.9 million** (H1 2019: £9.3 million)
- Of which **65%** was **organic growth** (15% acquired) including new product launches and deals
- **53%** of revenues from Venture Life Group brands (H1 2019: 30%)
- Gross profit increased **97%** to **£6.9 million** (H1 2019: £3.9 million)
- Adjusted EBITDA increased **368%** to **£3.5 million** (H1 2019: £0.7 million)
- Profit before tax, amortisation, and exceptional items increased **nine fold** to **£2.7 million** (H1 2019: £0.3 million)

H1 2020 *commercial highlights*

- New 15-year exclusive distribution agreement signed with the Group's oral care partner in China, with minimum purchase obligations of **€168 million**
- **Strong** orders received from Chinese partner in H1 (£2.3 million shipped H1)
- **8** new international partnering agreements and **11** long-term development and manufacturing agreements completed
- **Acquisition** of PharmaSource BV (completed January 2020)
- Appointed as second manufacturer of Alliance Pharma's key brand Kelo-cote
- **COVID-19** – instigated precautions and procedures, fully operational throughout crisis – new business line meeting high demand for hand sanitiser gel/spray
- **1 million** units of hand sanitising gel sold to ASDA in UK
- **Clinical trial** – partnering with Cardiff University to run a UK-led clinical trial, investigating whether Dentyl mouthwash can help reduce the viral load (amount of virus in the saliva) in patients affected with COVID-19

Covid-19 *response*

- Instigated precautions and procedures to protect employees, customers and stakeholders
- Development & Manufacturing facility remained open and operational all through the COVID-19 lockdown in Italy
- Created new hand gel business – 1 million units sold to ASDA in the UK
- No known incidence of COVID-19 amongst our employees
- Strong balance sheet played a critical part in maintaining supply of materials
- Italian employees tested on return from summer shutdown for COVID-19 – no cases of infection identified



Our platform *for sustainable growth*

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



Global *distribution network*

Retail Partners

UK



Netherlands



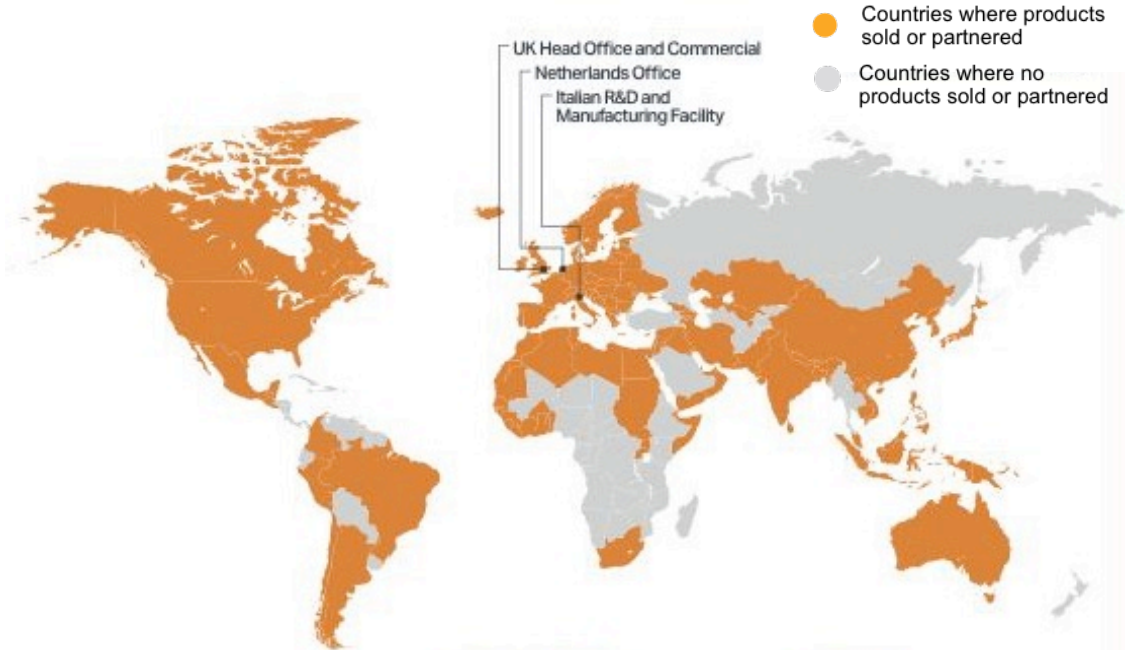
International Partners



WINDSTAR MEDICAL



Venture Life Group plc



110+

Partners

47

Markets worldwide

Self-care product *portfolio*

Key Self-Care Categories

Oral Health



Proctology



Nail Fungus



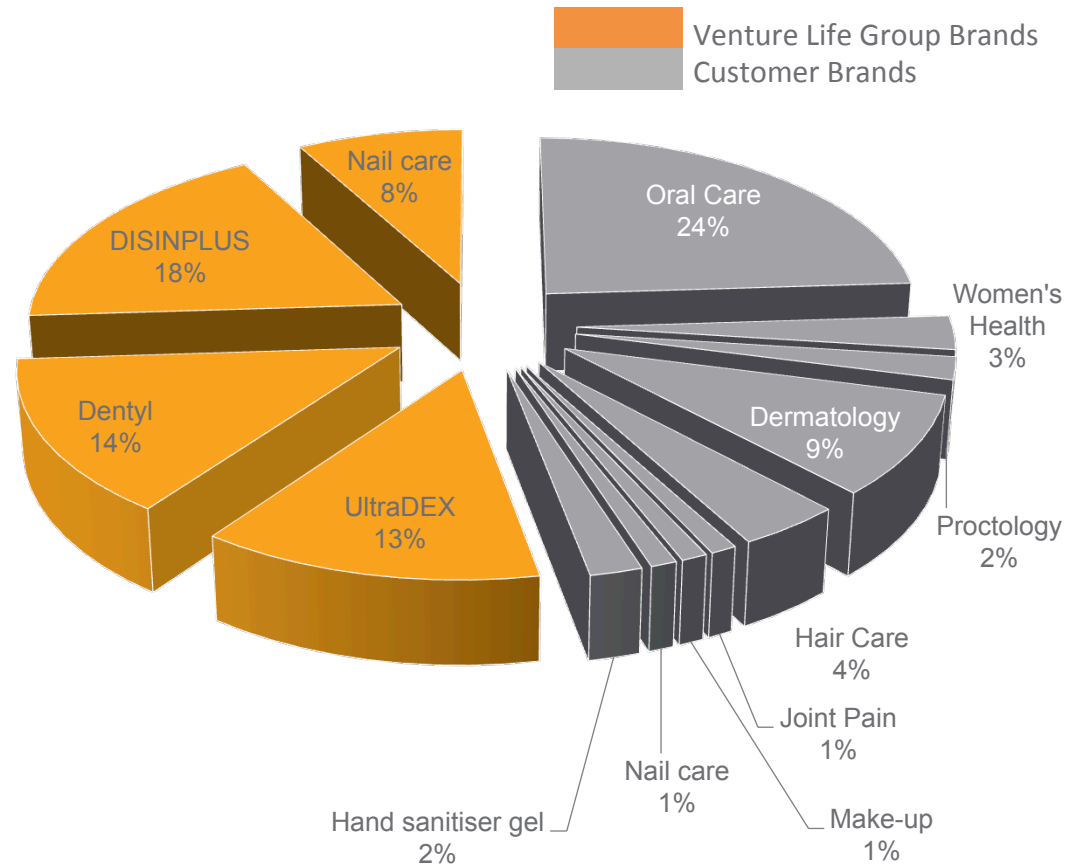
Brain Function & Memory



Expertise by *therapeutic area*

H1 2020 Group revenues by therapeutic areas

- Long-standing Group expertise in oral care (51% of revenues)
- Long-standing Group expertise in medical devices (44% of revenues)
- Wide therapeutic coverage
- Establishing our own brands in key areas
- Utilising our strong technical expertise



Operational *leverage*

VLG Brands



Dentyl
DUAL ACTION

ultraDEX

Myco Clear

Customer Brands



WINDSTAR MEDICAL



ALLIANCE
Breathing life into medicines

“Our development and manufacturing facility services both VLG and Customer Brands”

“estimated spare capacity by the end of 2020 over 40%”

Venture Life Group plc



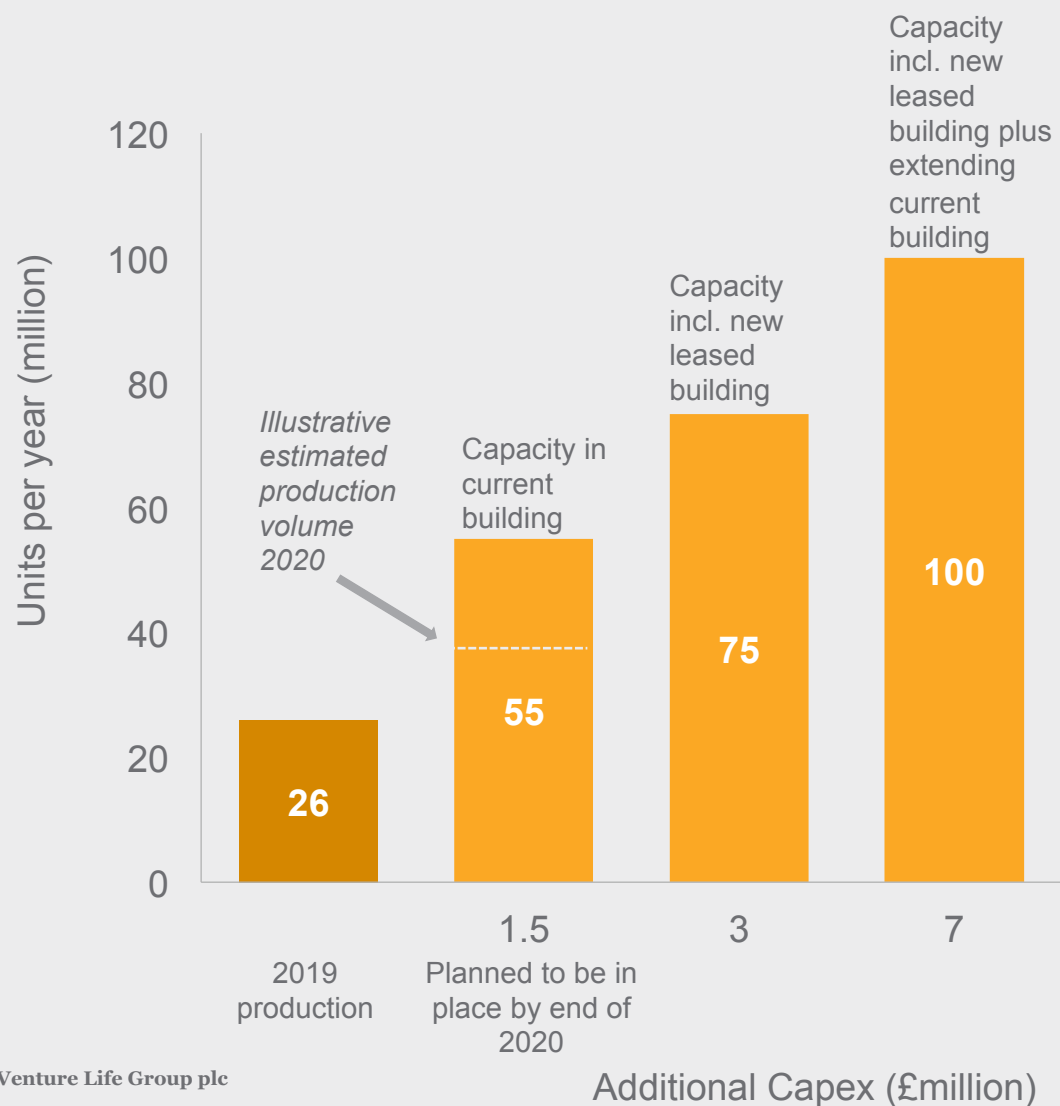
Biokosmes
Italy



“primary production facility for all Group revenues”*

* Excludes NeuroAge

Our Manufacturing *KPIs*



Group revenue FY 2019	£20.2m
Group revenue H1 2020	£16.9m
Illustrative estimated plant utilisation at the end of 2020	56%
No. of products produced in 2019	26m
Capacity with the actual 2020 investment plan of £1.5 million with additional capex	55m
Capacity with: £3m total additional capex (additional leased building)	75m
£10m total additional capex (additional leased building PLUS extending current building)	100m
No. of employees currently in production	63
Average employee tenure	10 years

Successful *acquisition record*

	UltraDEX & Dentyl Combined
Consideration	£8.2m*
FY Revenue at acquisition (12 months)	£5.4m
FY PBT at acquisition	£1.2m**
H1 2020 Brand revenue (6 months)	£4.5m
<i>H1 2019 Brand revenue (6 months)</i>	<i>£2.5m</i>
H1 2020 Brand PBT	£1.4m (FY x2 = 2.8m)
PBT now: consideration	<3x

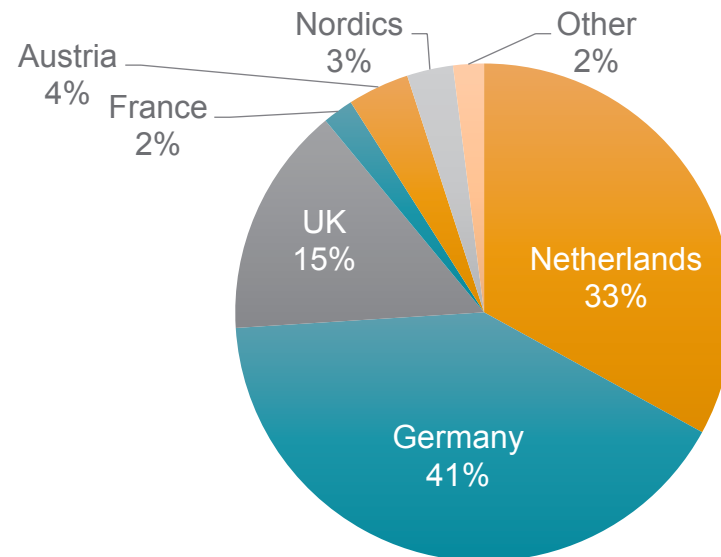
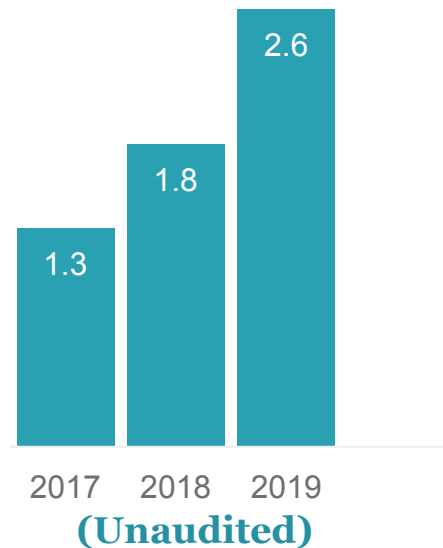
*UltraDEX acquired 2016, Dentyl 2018

** with no marketing spend on Dentyl by previous owner

PharmaSource *acquisition*

- PharmaSource BV acquired 24th January 2020 – consideration €6.5 million total
 - Initial consideration of €5.23 million paid, deferred contingent consideration of up to €1.27 million payable in cash H1 2020
- 2011 founded in The Netherlands
- Medical device portfolio – dermatology, women’s healthcare
- 2019 = €2.6 m (net sales) and €0.9m (profit before tax)
- Enables Venture Life to broaden its product range and extend its global reach by providing additional retailers and distribution partners as well as being earnings enhancing
- Manufacturing all outsourced

Revenue (€m)



2019 % sales by country



Financial Highlights



H1 2020 *profit and loss account*

£ million		H1 2020	H1 2019	% change
Revenue		16.9	9.4	80%
Gross Profit		6.9	3.5	97%
Gross Margin		40.9%	37.3%	+3.6%
Total admin expenses		(4.6)	(3.6)	(28)%
Adjusted EBITDA *		3.5	0.7	368%
Operating Profit/(Loss)		2.3	(0.1)	>>
Profit /(Loss) before Tax		2.1	(0.1)	>>
Profit /(Loss) after Tax		1.6	(0.4)	>>
Operating cash flow before working capital		3.4	0.6	+429%
Operating cash generation		1.0	1.3	(26)%

Comments:

- Revenue growth up **+80%**
- Gross profit **+97%**
- Adjusted EBITDA* **+368%**

* Before exceptional items

Revenues *H1 2020*

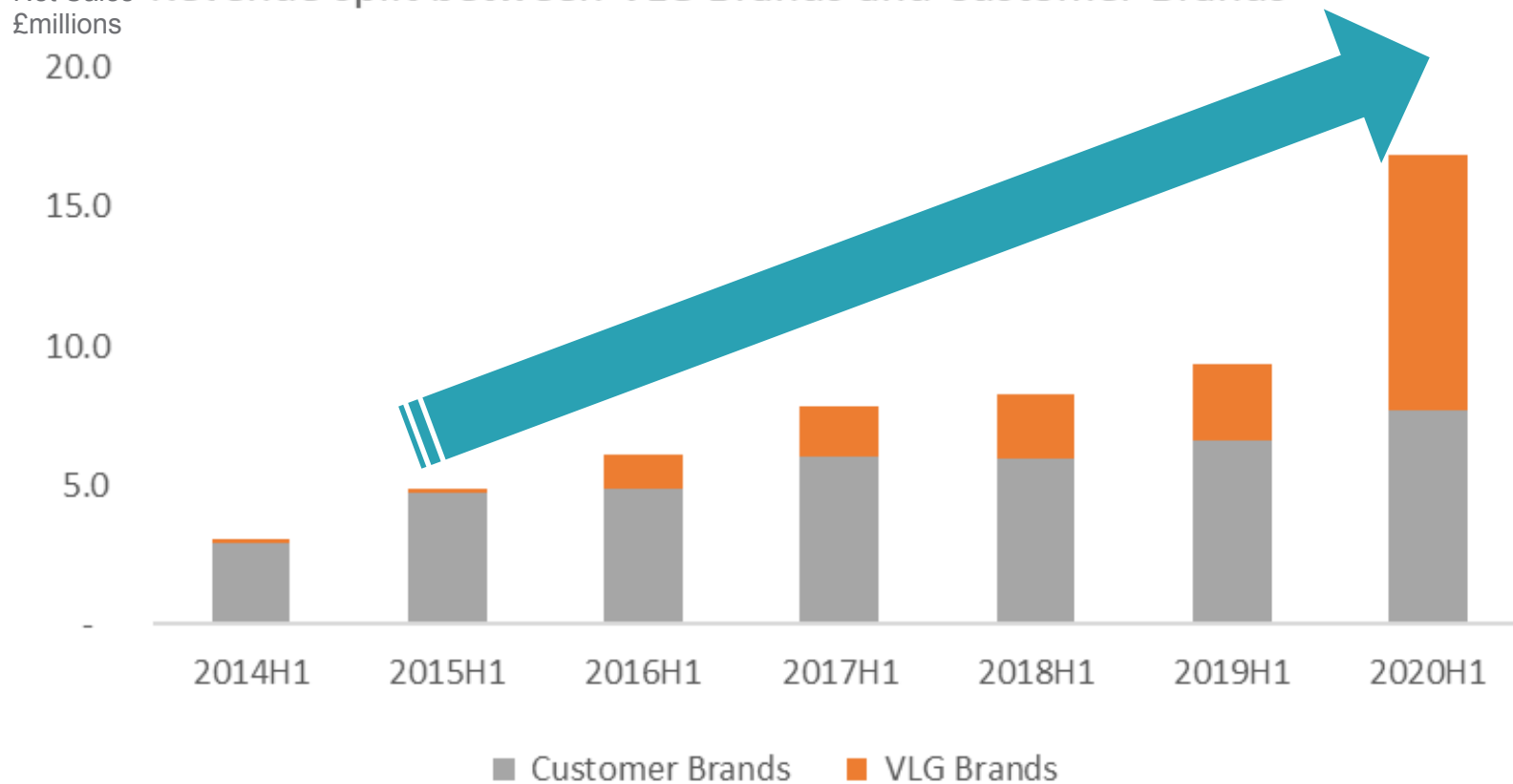
- Revenues increased 80% to £16.9 million (H1 2019: £9.4 million)

CAGR

33%

2014-2020
(H1's)

Net Sales £millions Revenue split between VLG Brands and Customer Brands



Balance sheet

£ million	June 2020	December 2019
Fixed assets	30.9	24.9
Cash	6.6	10.7
Other current assets	17.1	11.4
Total assets	54.6	47.0
Total debt (excluding finance leases)	5.8	4.4
Other liabilities	13.6	9.8
Total equity	35.2	32.8
Total equity and liabilities	54.6	47.0
Net cash / (debt)	(1.6)	3.7
Net cash / (debt) excl. finance leases	0.8	6.4

Comments:

- Strong balance sheet
- Cash balance more than £6 million
- Additional €1.5m of long-term debt taken during H1.



Commercial Highlights



Brand highlights H1 2020 - *Dentyl*

UK - Dentyl

- Business development – Dentyl launches in B&M Bargains & BodyCare Plus

International markets - Dentyl

- China – strong orders received in H1, for delivery in 2020
- New marketing campaign started in China via TikTok
- 15 year exclusive agreement signed with Chinese partner - total agreement on all brands worth a minimum of €168m
- New agreement in UAE

Post period end

- Boots to launch Dentyl in H2
- *New* Dentyl Mermaid/Unicorn to launch in Superdrug, Savers & Lloyds Pharmacy
- *New* Dentyl Toothpaste to launch in Savers
- Dentyl to launch in Singapore
- VLG participating in clinical study* at Cardiff University on COVID-19 patients using Dentyl

* 104 patient study to investigate whether Dentyl can help to reduce the viral load of COVID-19 in the saliva of patients affected with COVID-19



Brand highlights H1 2020 - *UltraDEX*

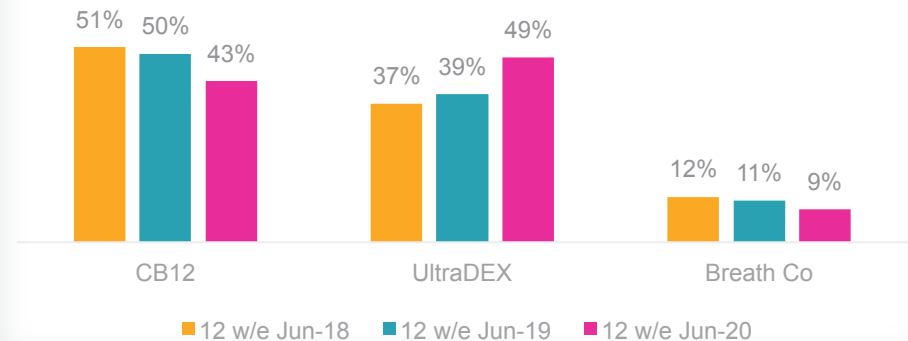
UK - UltraDEX

- Distribution unchanged across all products and UK customers - multi-channel approach
- UltraDEX Spray affected during H1 due to its on-the-go positioning
- In the UK, UltraDEX has now:
 - Taken market share from its competitors over the last 2 years, and
 - Currently has the biggest market share in medicated fresh breath products (**49%** currently, up from 37% for same period in 2018)

International markets - UltraDEX

- Continued growth internationally - 14 international markets in total

UK Market
Halitosis Mouthwash – Brand Value % Share
Total Market, 12 w/e 30th June 2020
Source: Nielsen data



Pharma Source H1 2020 - *progress*

Integration

- Commercial and administrative – complete
- Manufacturing transfer to Italy – on-going

UK highlights

- Existing business - strong H1 sales in the UK
- *New* business - Lloyds Pharmacy to launch Wart & Verruca pen

The Netherlands highlights

- Existing business - good organic growth in H1 with key retailer & distributor
- *New* business – confirmation of DA retailer to launch BV Gel, and line extensions with existing partners

Regulatory highlights

- Successfully completed medical device audits on fungal nail pen, wart pen, wart plaster, BV gel



Other commercial highlights - *H1 2020*

- 8 new long-term distribution agreements signed on VLG brands, including:
 - Procto-eze in Poland and Portugal
 - Myco Clear in Israel
 - Dentyl/UltraDEX in China
- Good appetite for VLG products
- 4 new product launches in H1 2020
- 11 new manufacturing & development agreements closed
- Appointed as second manufacturer for Alliance Pharma's key brand Kelocote

Post-period end

- 3 new long-term distribution agreements signed in Spain for Procto-eze Plus, in Israel for PharmaSource nail/wart products and in Singapore for Dentyl

Hand Gel opportunities

- 8 new products developed
- ASDA deal – 1 million units in H1
- 5 year agreement in Austria with existing partner
- Italy
 - Regional and national TV coverage during lockdown
 - 200+ customers, including hospitals, pharmacies, retailers



Summary

- Strong revenue growth H1 2020 **+80%** vs H1 2019
- VLG brands revenue grown to now represent 53% of revenues (30% H1 2019)
- Successfully reacted to COVID-19 by introducing new products, such as hand sanitiser gel and spray and mitigated impact on existing production lines
- Strong balance sheet, with cash for further acquisitions
- Built growth platform that can be leveraged
- Self-care market growing
- Proven track record in M&A
- **VLG + brand acquisitions = accelerated PAT growth**

2020 H2 Outlook

- Strong group order book
- Cash generative going forward
- Involvement in clinical trial with Cardiff University on patients affected with COVID-19
- Acquisitive strategy to continue to accelerate profitability - further M&A opportunities





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

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 47+ countries, 110+ partners



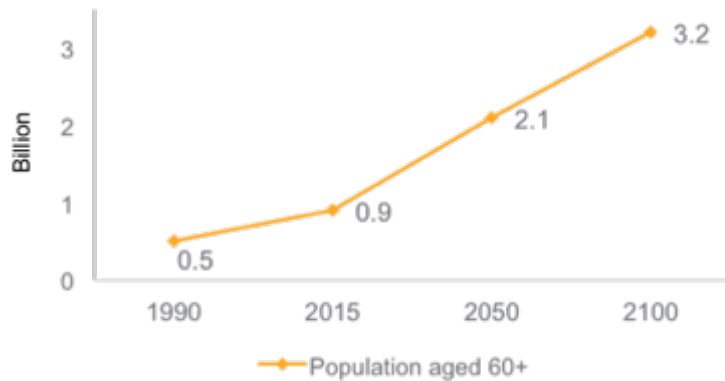

**Head Office
and
Commercial
(London)**
12 staff


**Netherlands
Office
(Amsterdam)**
6 staff


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

Our market *opportunity*

The population is ageing and growing rapidly¹



Healthcare budgets are under increasing pressure



Combined deficit of NHS bodies and NHS trusts in 2017-18



Percentage of NHS trusts in deficit in 2017-18



NHS annual efficiency target 2020-21

Over-the-counter (OTC) Global Market³

2018
\$127
billion

CAGR (2019-25): 5.8%

2025
>\$185
billion

1. United Nations (2017). World Population Prospects: the 2017 Revision
2. National Audit Office – Financial sustainability of the NHS
3. Global Market Insights – Market Data

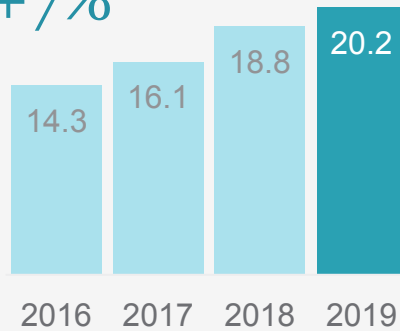
Delivering growth *through focus on strategic drivers*



Full Year Progress

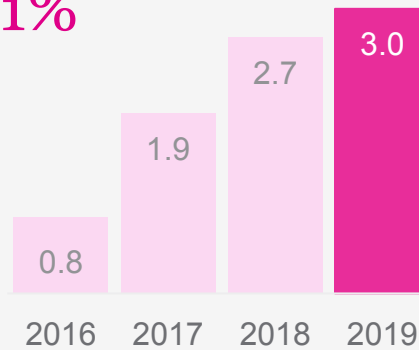
Group revenue (£m)

+7%



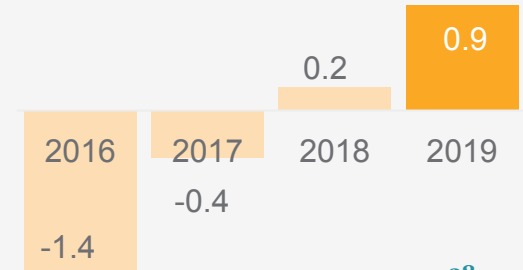
Group EBITDA* (£m)

+11%



Post tax profit* (£m)

+0.7 m



* Before exceptional items
Venture Life Group plc

2019 *profit and loss account*

£ million		2019	2018	% change
Revenue		20.2	18.8	+7%
Gross Profit		8.0	7.3	+10%
Gross Margin		39.6%	38.8%	
Total admin expenses		6.7	6.2	+8%
Adjusted EBITDA *		3.0	2.7	+11%
Operating Profit		1.3	1.1	
Profit before Tax		1.4	0.7	
Profit after Tax		0.9	0.2	
Operating cash generation		3.0	2.5	20%

Comments:

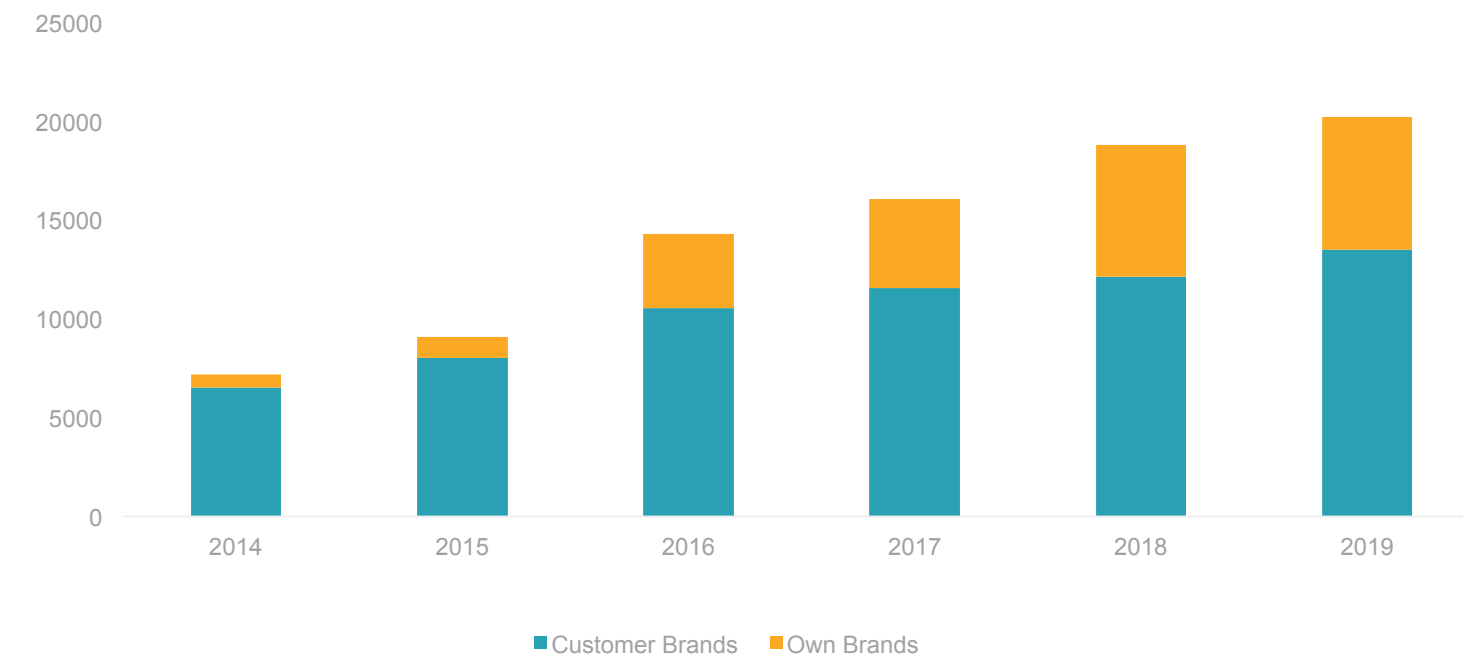
- Revenue growth up **+7%**
- Gross profit **+10%**
- Adjusted EBITDA* **+11%**
- Profit after tax of **£0.9m**

* Before exceptional items

Revenues *2019*

- Revenues increased 7% to **£20.2 million** (2018: £18.8 million)

Revenue split between VLG Brand and Customer Brands



CAGR
23%
2014-2019

Balance sheet at 31 December 2019

£ million	December 2019	December 2018
Fixed assets	24.9	25.1
Cash	10.7	9.6
Other current assets	11.4	10.9
Total assets	47.0	45.7
Interest bearing debt	4.4	3.8
Finance Leases	2.6	3.2
Other liabilities	7.2	6.7
Total equity	32.8	32.1
Total equity and liabilities	47.0	45.7
Net cash	6.3	5.8

Comments:

- €6.5m of cash committed for PharmaSource acquisition (Jan 2020)
- Additional €1m debt less €0.2m repayments

Net Cash position at 30th June 2020

£'M	June 2020	December 2019	Comments
Italian term loans	4.4	3.2	€4.8m principal outstanding
Invoice financing	1.4	1.2	On-going trading facility
Finance Leases	2.4	2.6	On-going rental (repayment)
Cash	6.6	10.7	Outflow of £5.5m in H1 2020 (Pharmasource acquisition)
Net Cash	0.8	6.3	Still at net cash (excluding Finance Leases)
Net cash (after Finance Leases)	(1.6)	3.7	Temporary drift into net debt (IFRS16 basis)

Italian loan position 30th June 2020

	Loan €'000	Balance €'000	Planned Full Repayment	Interest rate
BNL SPA	300	17	30/09/20	1% +3m Euribor
Intesa SPA	2,000	1,803	30/11/24	0.90% +6m Euribor
Unicredit SPA	800	587	31/05/23	1.05% + 6m Euribor
BPM	1,000	892	28/06/2024	1.40%
BPM 2020	1,500	1,500	31/03/2025	2.40%
RIBA		1,592	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
BGF Investment Management Limited	7,405,000	8.8%
Mr Gianluca Braguti* and associated holdings	7,085,459**	8.5%
JO Hambro Capital Management Limited	6,907,500	8.3%
Slater Investments	4,671,430	5.6%
Close Brothers Asset Management	4,180,384	5.0%
River and Mercantile Asset Management	4,107,000	4.9%
Cavendish Asset Management	3,882,438	4.7%
Premier Miton Investors	3,832,114	4.6%
Mr Jerry Randall* and associated holdings	3,769,729	4.5%
Dr Michael Flynn and associated holdings	2,927,077	3.5%
Sharon Daly* (née Collins)	2,019,953	2.4%

* 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.