



The partner of choice for self-care products

Venture Life Group plc

Full Year Results Presentation 2020

March 2021



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2020 *highlights*

Exceptional Financial Performance

- Group revenues increase **+49%** to **£30.1 million** (2019: £20.2 million)
- Adjusted EBITDA¹ increased **+105%** to **£6.1 million¹** (2019: £3.0 million) in line with upgraded expectations
- Continued growth through our **organic** and **acquisitive** strategy

Exceptional Commercial Performance

- **Venture Life Brands** now represent **50%** of the Group (2019: 33%)
- **17** long-term distribution agreements signed
- **12** new in-market product launches

Acquisition strategy - Delivery and Outlook

- Acquisition of PharmaSource BV, revenue increased **20%²** to **£2.8 million since acquisition**
- Placing and open offer raised **£34.1 million** net of expenses for acquisitions
- Bank facilities available of up to **£50 million** to supplement cash, at sensible leverage
- Bolstered resources for acquisitions team
- Operational leverage built to accommodate growth ambition

Venture Life Group plc

(1) Before exceptional items and share based payments

(2) PharmaSource BV was acquired 24th January 2020 – this is a like for like 12 month figure

2020 *financial highlights*

- Revenues increased **+49%** to **£30.1 million** (2019: £20.2 million)
- Gross profit increased **+61%** to **£12.8 million** (2019: £8.0 million)
- Gross margin percentage increased to **42.7%** (2019: 39.6%)
- Adjusted EBITDA¹ increased **+105%** to **£6.1 million** (2019: £3.0 million)
- Profit after tax (PAT) increased **+162%** to **£2.4 million** (2019: £0.9m)
- Earnings per share increased **+154%** to **2.74p** (2019: 1.08p)
- Net cash generated from operating activities of **£2.7 million** (2019: £2.4 million)
- Cash at period end of **£42.1 million** (31 Dec 2019: £10.7 million)
- Placing and open offer raised **£34.1 million** net of expenses during Q4 2020

Post period

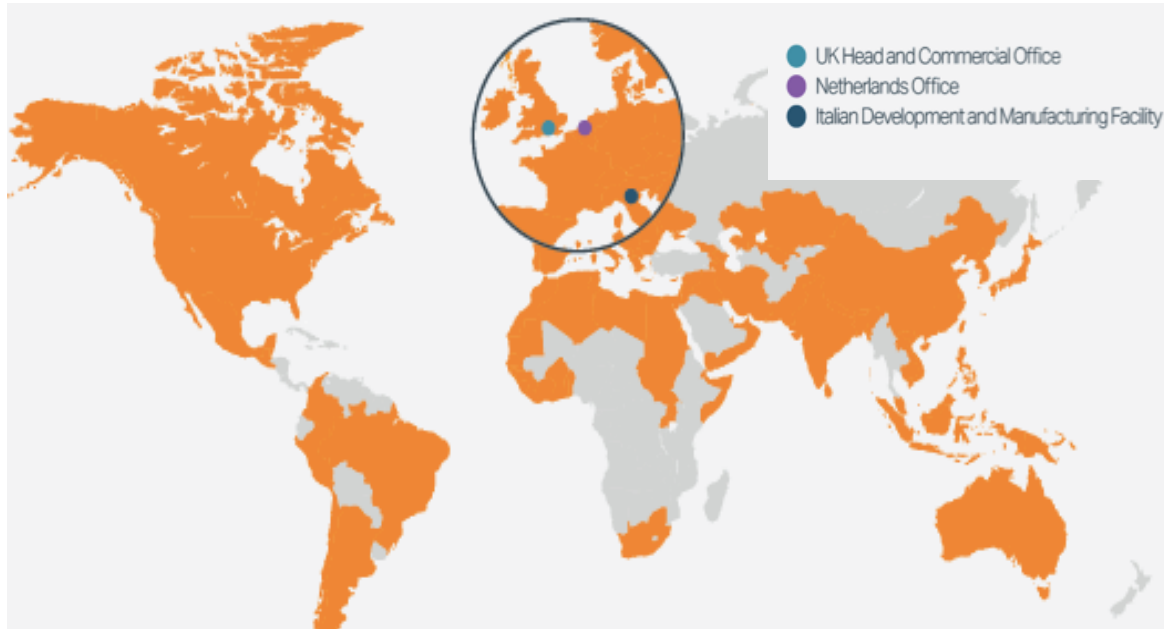
- Bank facilities available of up to **£50 million** to supplement cash, at sensible leverage

Our platform *for sustainable growth*

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



Global *distribution network*



Partners
worldwide

113

Markets
worldwide

44+

Operational
locations

3

Employees

119

Retail Partners



International Partners



Self-care product *portfolio*

Key self-care categories

Oral Health



Proctology



Nail Fungus - Foot Care



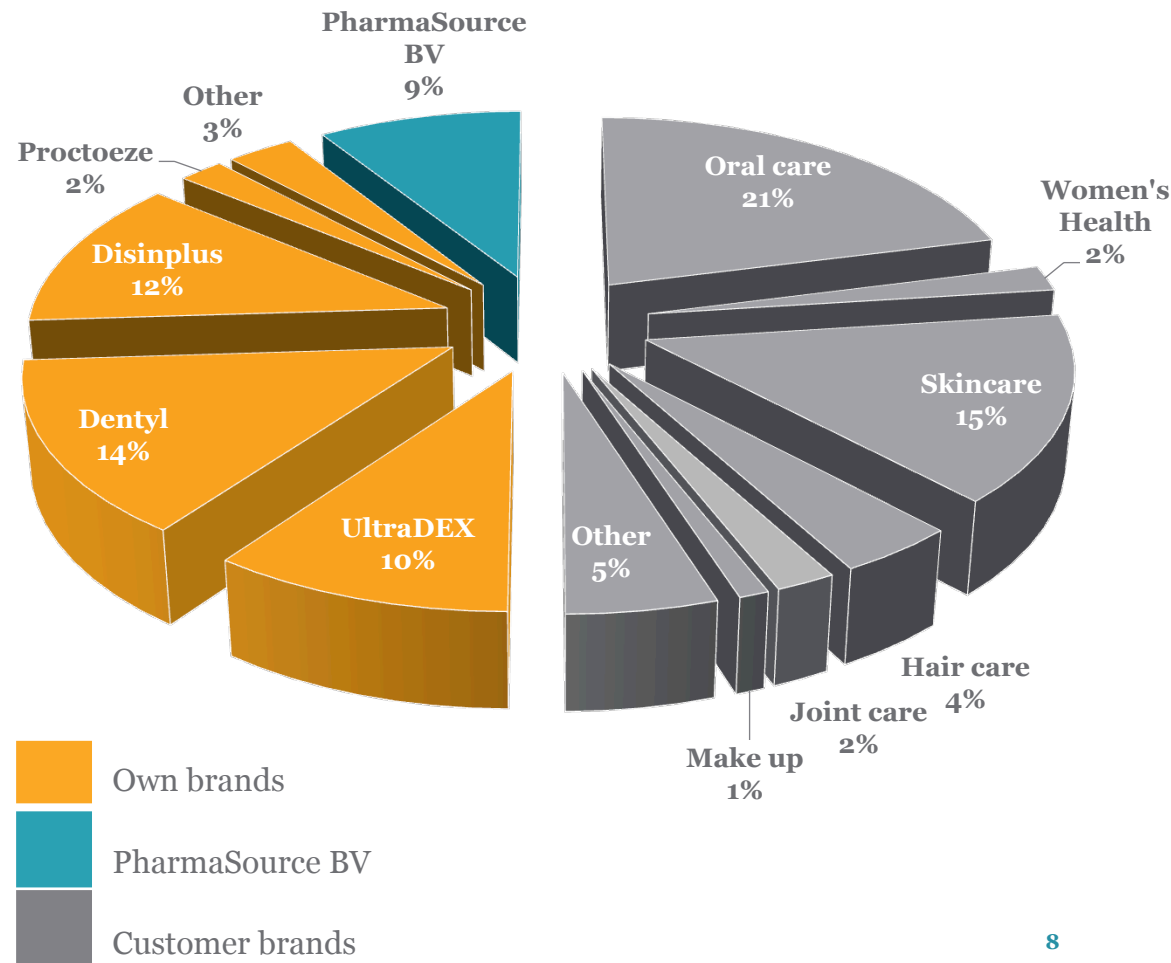
Women's Health



Expertise by *therapeutic area*

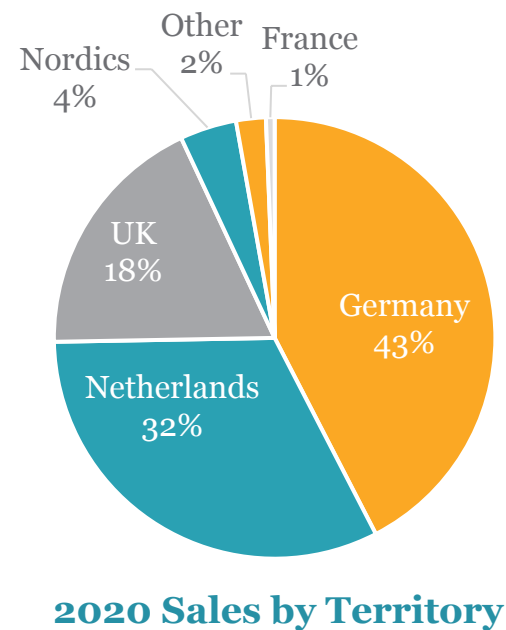
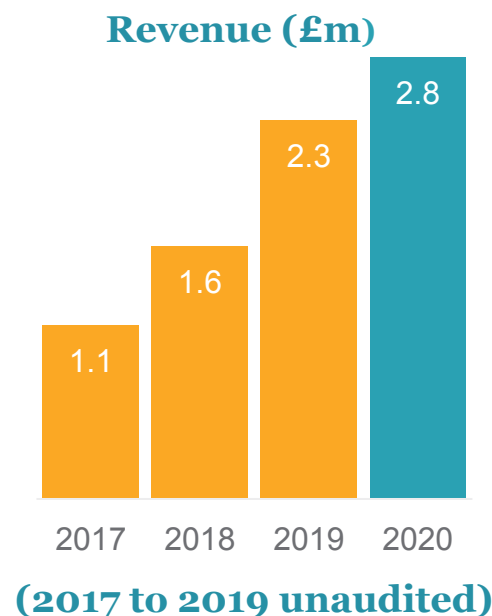
- Long standing Group expertise in oral and skincare
- Experts in products registered as Medical Devices and Cosmetics
- Wide therapeutic coverage
- Establishing our own brands in key areas – concise portfolio
- Utilising our R&D capabilities

2020 Group Revenues by main therapeutic areas

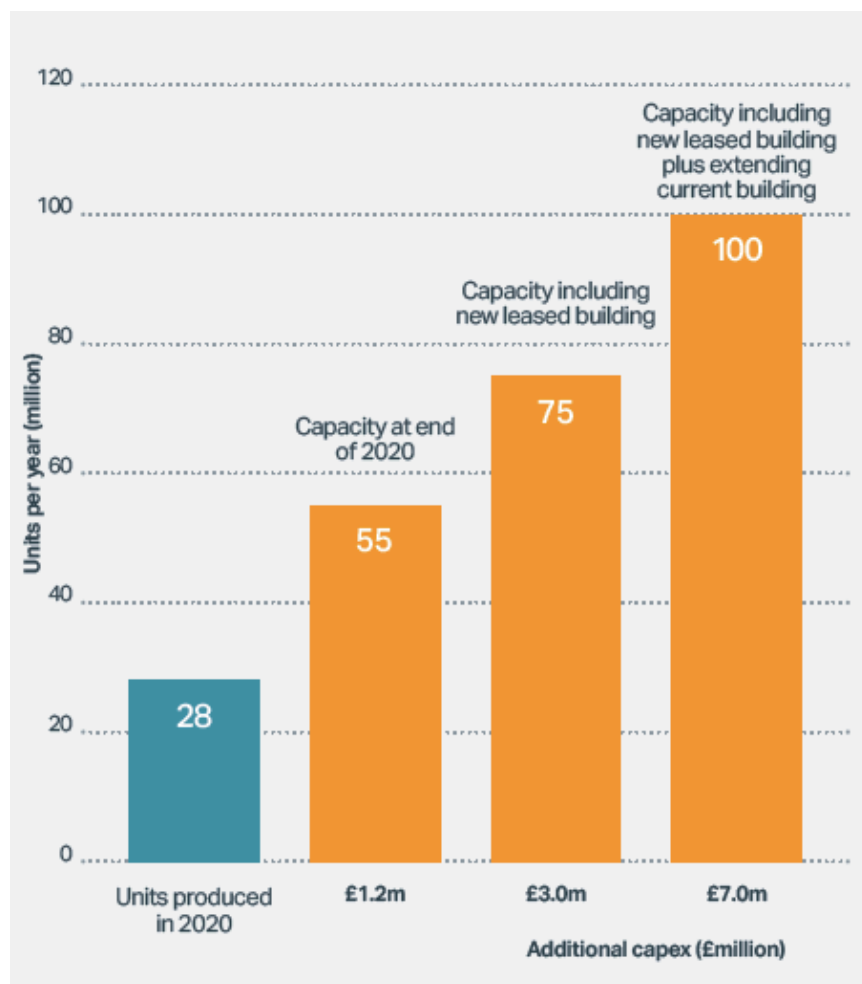


PharmaSource acquisition – 2020 performance

- PharmaSource BV acquired 24th January 2020 – consideration €6.5 million total
- Medical device portfolio – dermatology, women's healthcare
- Revenue grew by 20%¹ to £2.8 million (2019: £2.3 million)
- Gross margin 2020 £1.4 million (2019: £1.3 million)
- 7 new distribution agreements – early synergies coming to fruition
- Manufacture of PharmaSource products commences in 2021 at Venture Life manufacturing facility



Our Manufacturing *Scalability*



2020 Group revenue	£30.1m
Utilisation (as % of 55m units per year capacity)	51%
Units produced in 2020	28m
Capacity with £3m additional capex	75m
Additional capacity with a further £7m additional capex	100m
No. of employees in production	84
Average employee tenure	13 years



Financial Highlights



2020 *profit and loss account*

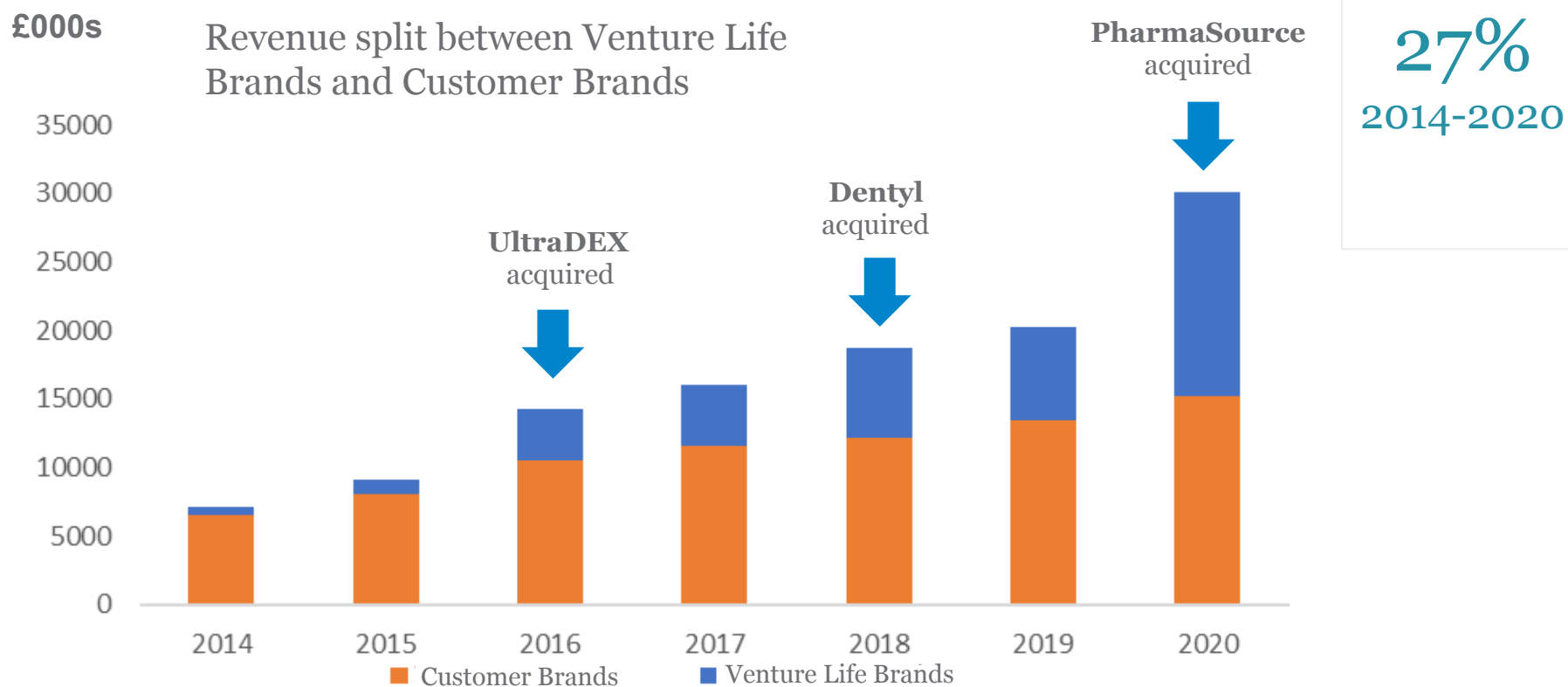
£ million		2020	2019	% change
Revenue		30.1	20.2	+49%
Gross Profit		12.8	8.0	+61%
Gross Margin		42.7%	39.6%	
Total admin expenses		9.3	6.7	+39%
Adjusted EBITDA ¹		6.1	3.0	+105%
Adjusted EBITDA ¹ as % Revenue		20.4%	14.8%	
Operating Profit		3.6	1.3	+178%
Profit before Tax		3.3	1.4	+141%
Profit after Tax		2.4	0.9	+162%
Net cash from operating activities		2.7	2.4	+11%

Comments:

- +49% Revenue growth reflects organic (£7.1m) and acquired (£2.8m)
- Leverage of factory and infrastructure driving 3.1 & 5.6 point improvements in gross margin and adjusted EBITDA margin

Revenues 2020

- Revenues increased 49% to £30.1 million (2019: £20.2 million)



Balance sheet at 31 December 2020

£ million	December 2020	December 2019
Intangible non-current assets	27.0	20.7
Tangible non-current assets	7.0	4.2
Cash	42.1	10.7
Other current assets	16.5	11.4
Total assets	92.7	47.0
Interest bearing debt	(6.6)	(4.4)
Finance Leases	(4.6)	(2.6)
Other liabilities	(9.4)	(7.2)
Total equity	72.1	32.8
Net cash (excl. Finance Leases)	35.5	6.3

Comments:

- Inclusion of €6.5m acquisition of PharmaSource BV
- Significant factory investment (machinery and lease)
- Inclusion of £34.1m net fundraising proceeds
- Additional £2.2m of Italian borrowings (net)
- Very strong net cash position at close



Commercial Highlights



Brand highlights 2020 - *Dentyl*

- **+80% increase** in revenues to £4.3m (2019: £2.4m)

UK - Dentyl

- **+33% increase** in revenues to £2.6m (2019: £2.0m)
- Launched in Boots, Alliance Healthcare, B&M & BodyCare
- Positive Cardiff University's independent *in-vitro* study
- UK's fastest growing mouthwash brand in Q4 2020

International markets - Dentyl

- **+308% revenue** increase to China - £1.6m (2019: £0.4m)
- 4 new international markets

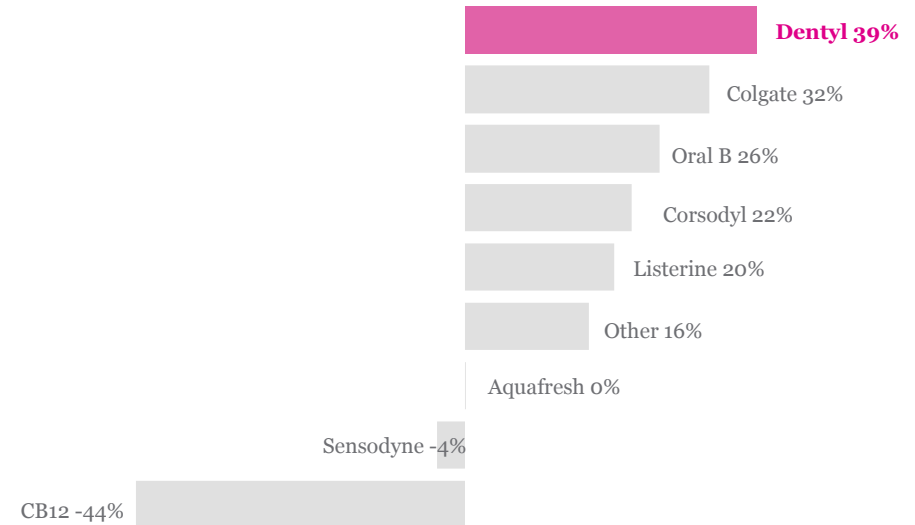
New product development - Dentyl

- Dentyl *Editions*, Dentyl *Fresh Protect* launched
- New Dentyl Spray in development

Post period end

- Cardiff University *in-vivo* study on-going
- Shipments of Dentyl to China resumed in Q1 2021

UK Market £ Retail Value Growth YoY – 12 w/e



Nielsen, Total Market, Mouthwash, 12 w/e 28th December 2020



Brand highlights 2020 - *UltraDEX*

- -4% decrease in revenues to £3.0m (2019: £3.2m)

UK - UltraDEX

- Revenues impacted by COVID-19: -20% in H1 2020 and -6% in H2 2020
 - Lower footfall on high street
 - Consumer behaviour changes – less product used
- UltraDEX now No.1 mouthwash brand for Halitosis¹

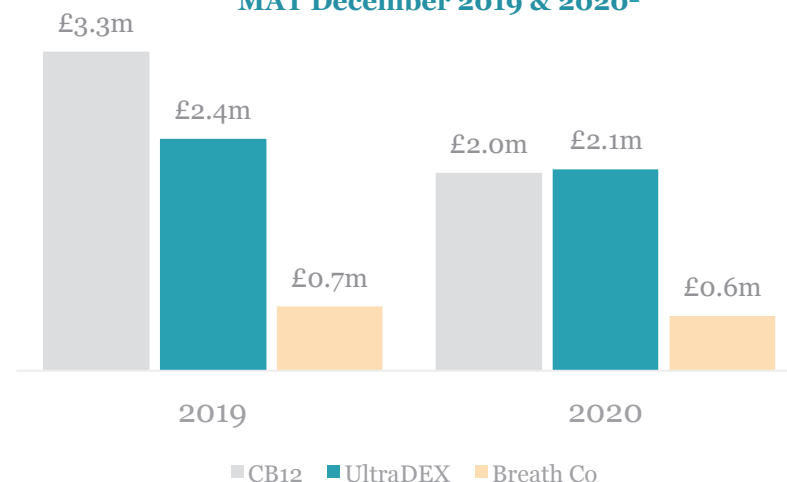
New Product Development

- New UltraDEX CPC-MAX developed – involved in Cardiff University clinical trial

International markets - UltraDEX

- China saw good growth on UltraDEX spray
- International markets – 15 in total

**Mouthwash Brand – Retail Value Sales
MAT December 2019 & 2020²**



International highlights 2020

PharmaSource *products*

- Revenues increased 20%¹ to £2.8m (2019: £2.3m)
- Integration on track - manufacturing completes H1 2021

Venture Life *brands*

- Revenues increased +11% on VLG brands
 - 17 new long term distribution agreements signed
 - 12 new product launches in 2020
- DISINPLUS – new hand sanitising brand developed, revenues £3.6m

Customer *brands*

- Revenues increased +12% to £15.2m (2019: £13.5m)
- 21 development and manufacturing agreements signed
 - 9 manufacturing
 - 12 research & development
- 80 key R&D projects under development

Venture Life Group plc

(1) PharmaSource BV was acquired 24th January 2020 – this is a like for like 12 month figure




ATHENA
COSMETICS

- Placing and Open offer raised £34.1 million net of expenses in December 2020
- Debt facilities available of up to £50 million, at sensible debt/EBITDA levels, and at normal commercial rates
- Group is cash generative
- Hence funds of over £80 million available for acquisitions
- Resource bolstered, activity levels raised
- Strong balance sheet has demonstrably opened more doors to discussion
- Strong list of opportunities currently in hand



Conclusion – *an outstanding year*

- Remained operational throughout entire 2020
- Available cash and debt resources to spend of over £80 million
- Significantly increased operating capacity, and scalable further
- Current EBITDA¹ margin increased to 20.4% (2019: 14.8%)
- Track record of earnings enhancing acquisitions
- Significant pipeline of potential 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

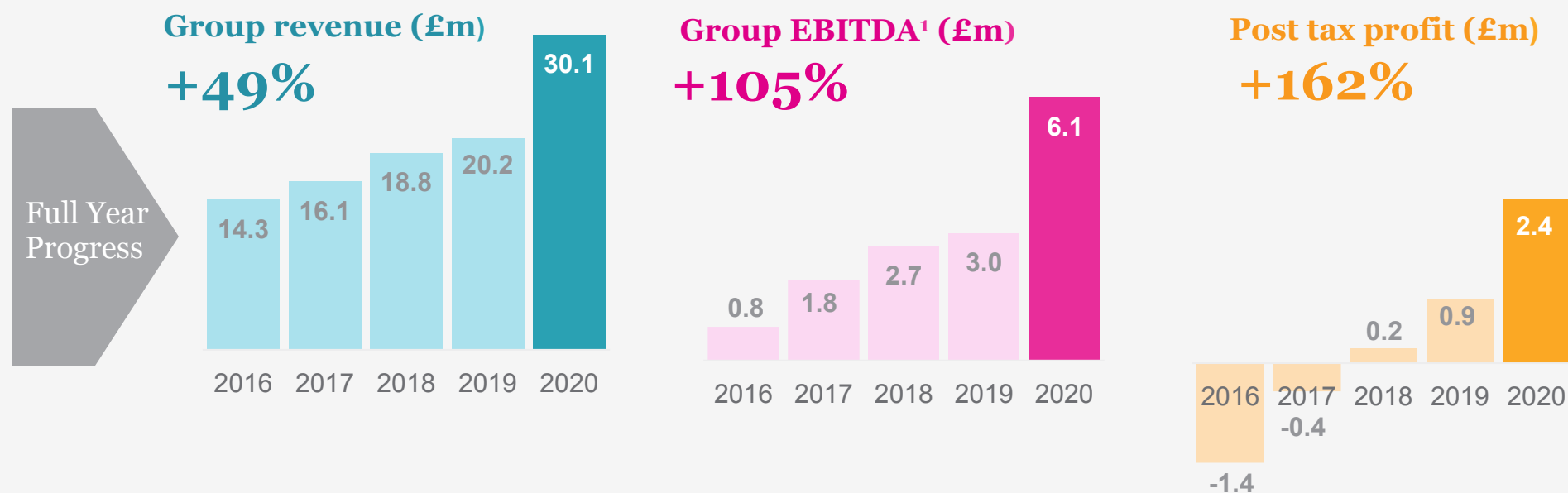
- Pharmacist graduate
- University of Milan's cosmetic research and development department
- Founded Biokosmes in 1983
- FDA approval and ISO certification for manufacture of medical device and cosmetics



Andrew Waters
Chief Financial Officer

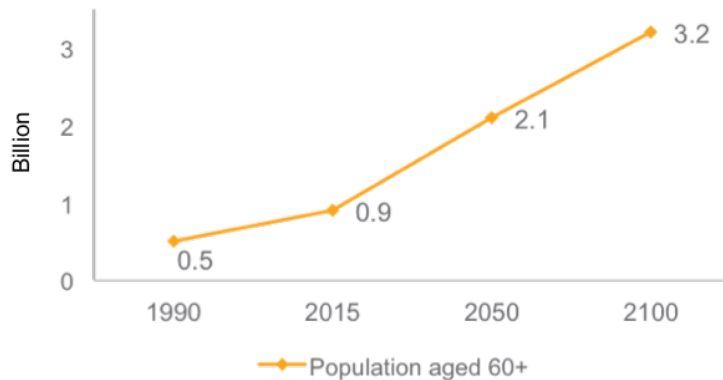
- Chartered Accountant
- Previously worked at PWC and then spent 16 years at GlaxoSmithKline
- Co-founded two businesses, Cubase Consulting Ltd and Infirst Healthcare, raising in excess of £40 million from private equity

Operating leverage *delivering strong profit growth*



Our market *opportunity*

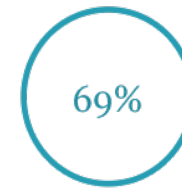
The population is ageing and growing rapidly¹



Healthcare budgets are under increasing pressure²



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

Net Cash position remains strong

£'M	December 2020	December 2019	Comments
Italian term loans	5.7	3.2	€3.7m principal
Invoice financing	0.9	1.2	On-going facility
Cash	42.1	10.7	
Net Cash	35.5	6.3	Strong sustained net cash position
Net cash (after Finance Leases)	30.9	3.7	

Italian loan position 31 December 2020

	Loan €'000	Balance €'000		Planned Full Repayment		Interest rate
BNL SPA	300	50		30/09/20		1% +3m Euribor
Intesa SPA	2,000	1,967		30/11/24		0.90% +6m Euribor
Unicredit SPA	800	720		31/05/23		1.05% + 6m Euribor
BPM	1,000	1,000		28/06/2024		1.40%
RIBA		1,387		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
Slater Investments	19,121,431	15.20%
Blackrock	10,287,191	8.18%
BGF Investment Management Limited	9,581,824	7.61%
Hargreaves Lansdown	7,470,972	5.94%
Directors	6,440,937	5.12%
River & Mercantile Asset Management LLP	6,437,200	5.12%
J O Hambro Capital Management Limited	5,555,000	4.41%
Close Brothers Asset Management	5,538,410	4.40%
Stonehage Fleming	5,093,438	4.05%
Chelverton Asset Management	3,778,000	3.00%