



The partner of choice for self-care products

Venture Life Group plc

Full Year Results Presentation 2018

May 2019



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Our platform *for sustainable growth*

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



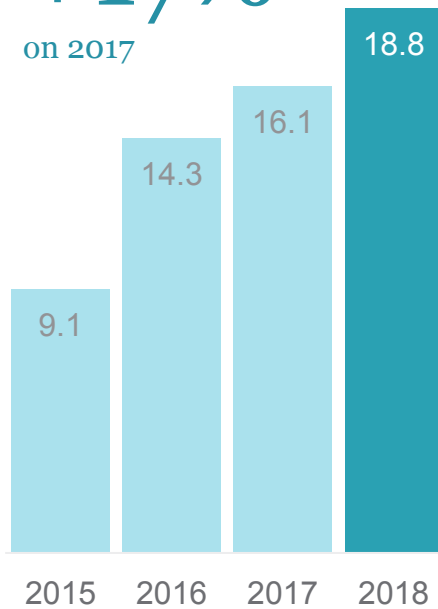
*Utilisation (as % of 40m units per year capacity)

2018 highlights

Revenue (£m)

+17%

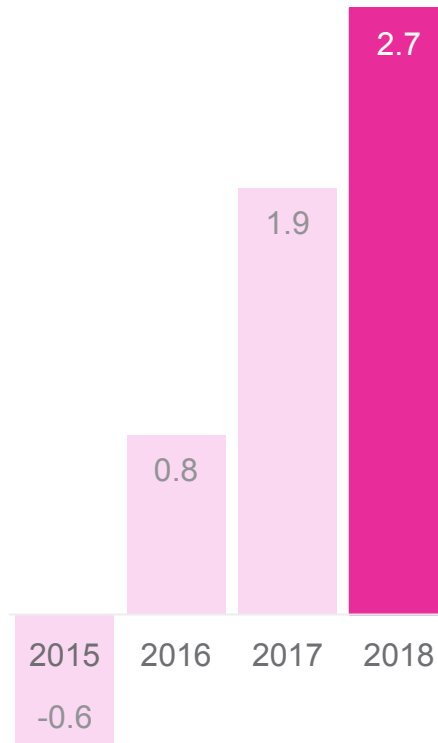
on 2017



EBITDA* (£m)

+42%

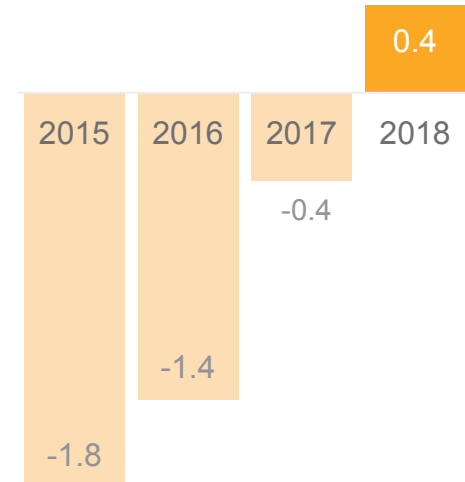
on 2017



Post tax profit* (£m)

+0.4m

On 2017



* Before exceptional items

Venture Life Group plc

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 Dentyl 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

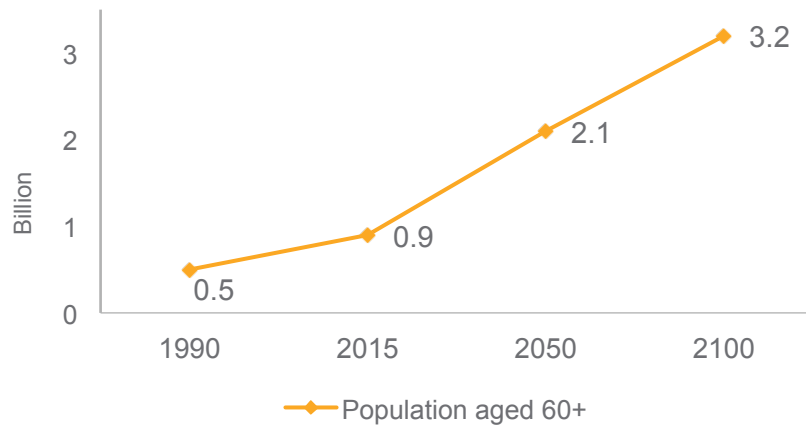



**Head Office
and
Commercial
(London)**
18 staff


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

Our market *opportunity*

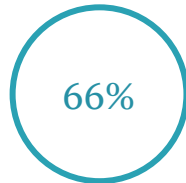
The population is ageing and growing rapidly¹



Healthcare budgets are under increasing pressure²



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

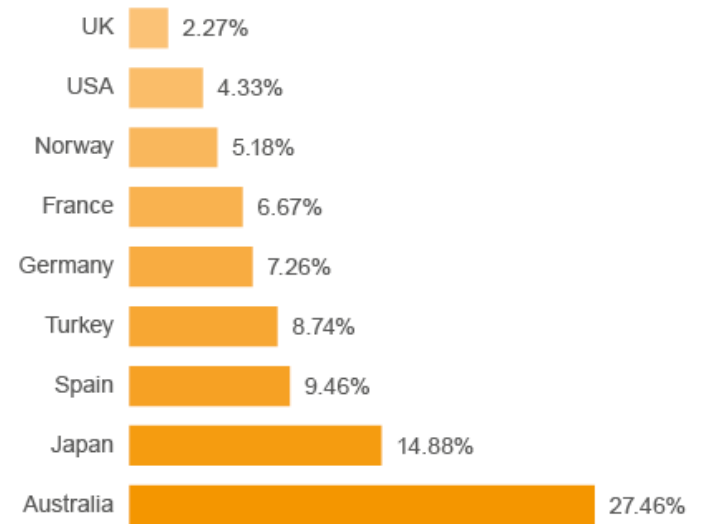


Percentage of NHS trusts in deficit in 2015-16



Savings the NHS needs to make by 2020-21

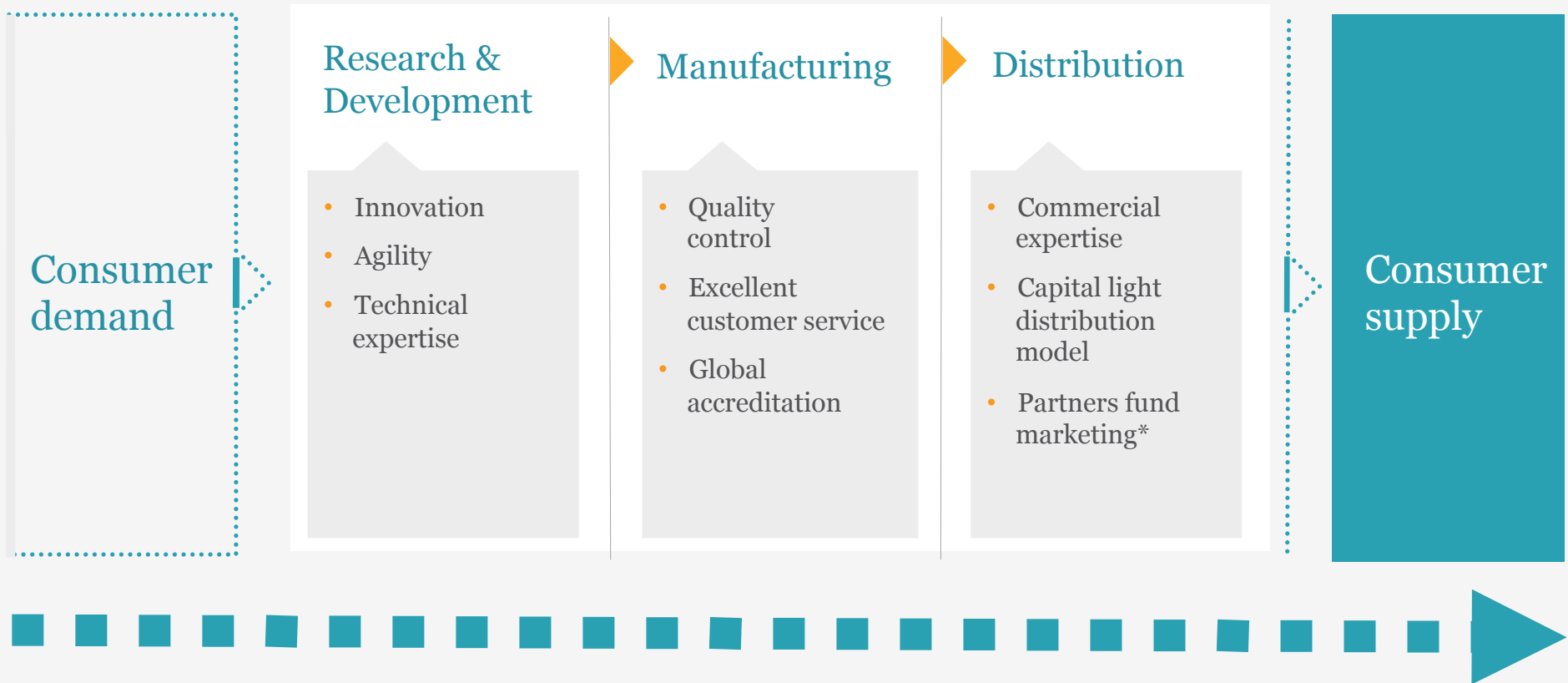
Self-medication market annual change 2014-15³



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 fully *integrated model*



Global *distribution network*

UK Partners



International Partners



Self-care product *portfolio*

Key Self-care Categories

Oral Health



Proctology



Dermatology



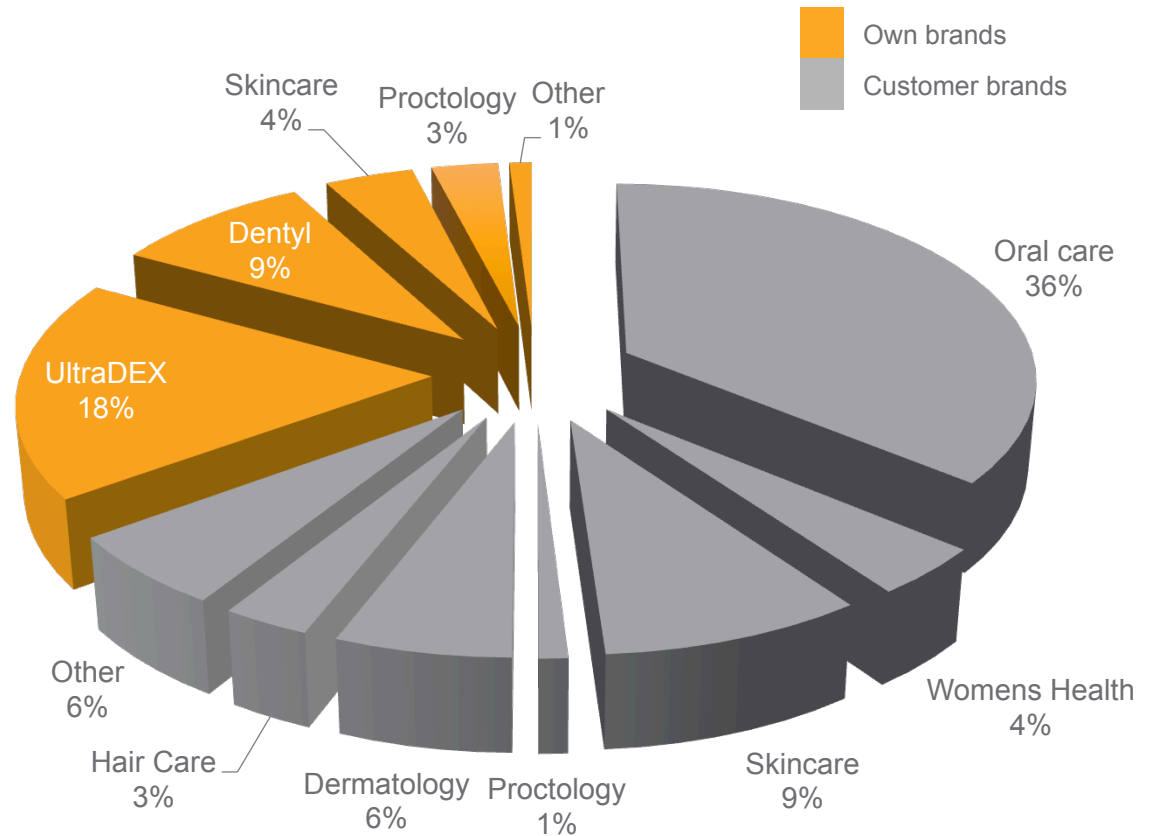
Brain Function & Memory



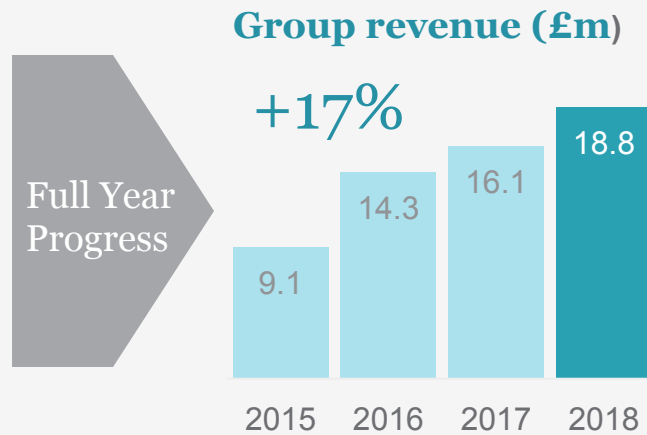
Expertise by *therapeutic area*

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

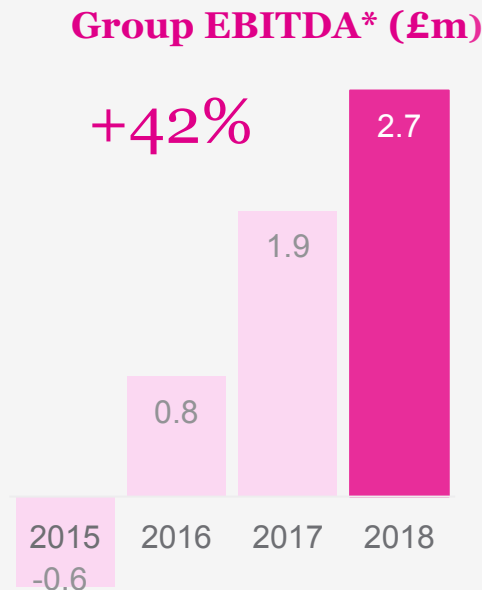
2018 Group revenues by main therapeutic areas



Delivering growth *through focus on strategic drivers*



* Before exceptional items
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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

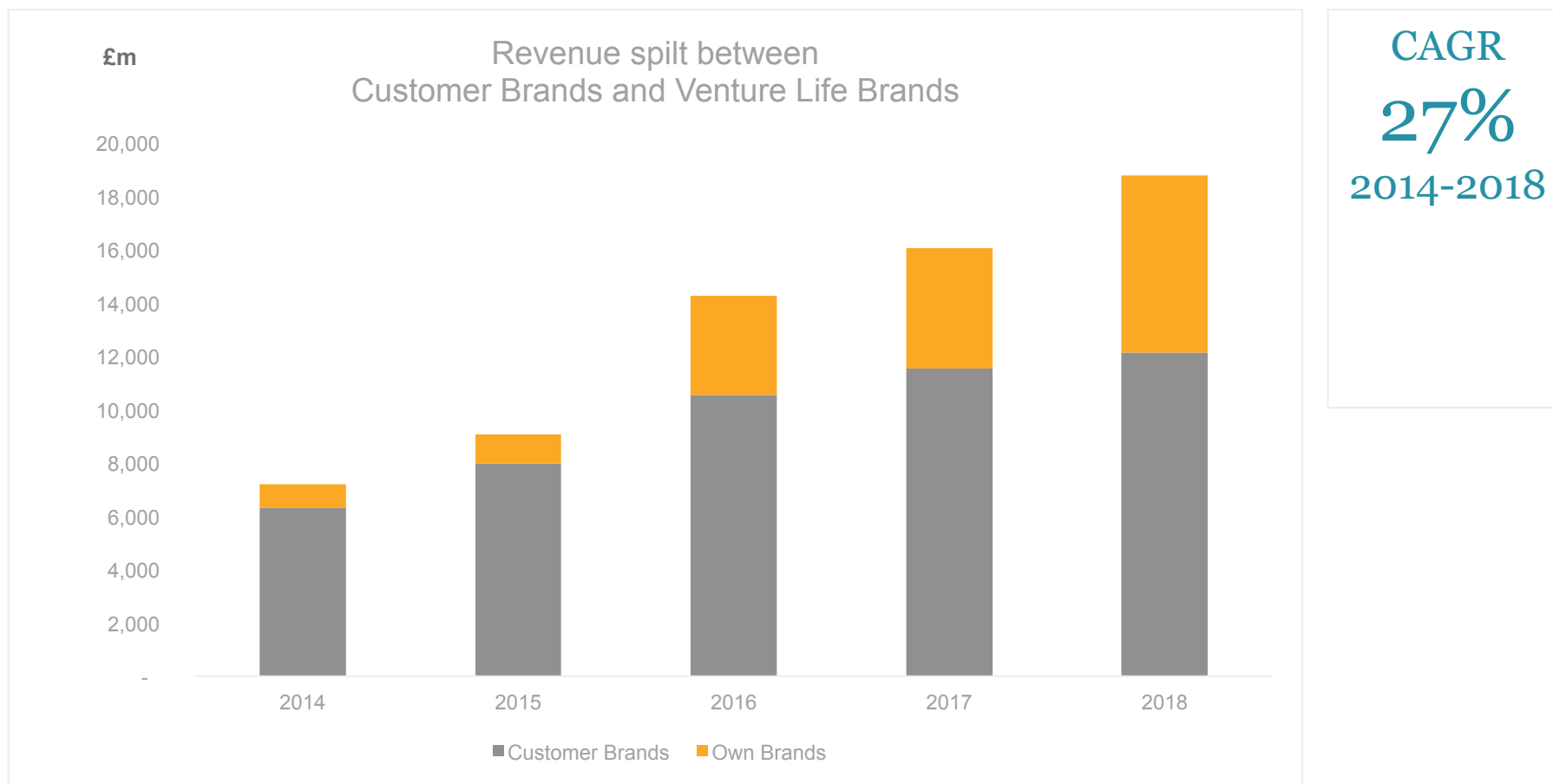
Comments:

- 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 Dentyt underway

Acquisition

- Acquisition of Dentyt 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

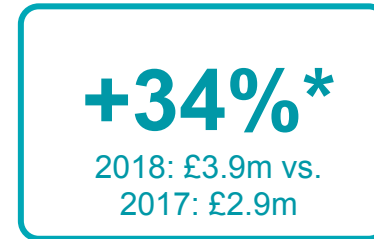
Brand highlights 2018 - *Dentyl*

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



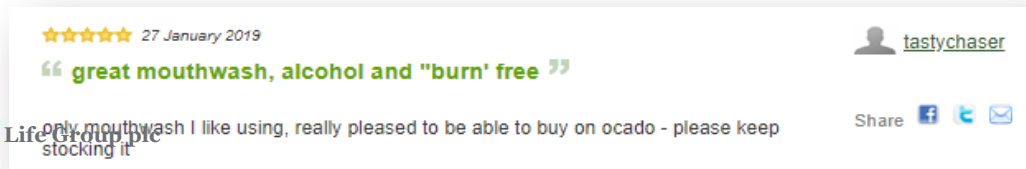
China net sales



Marketing in China



*proforma basis



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

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 **ALLIANCE**

2026

New manufacturing
Agreement

Key partnerships

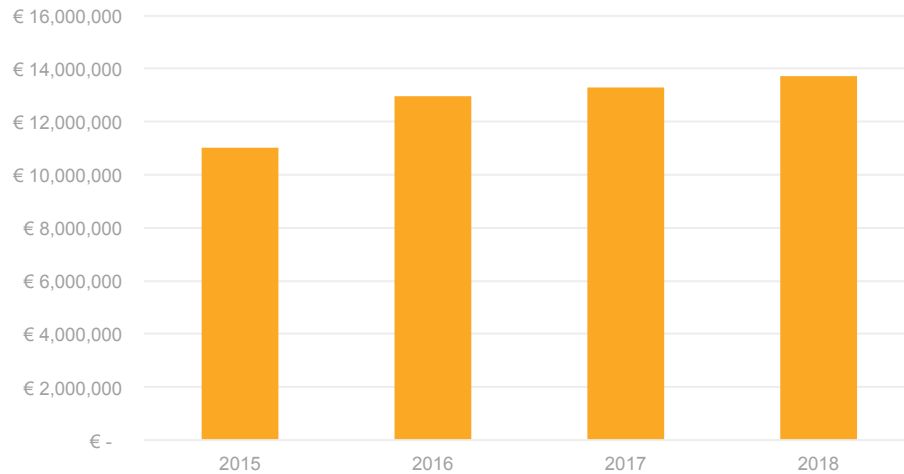
23m

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

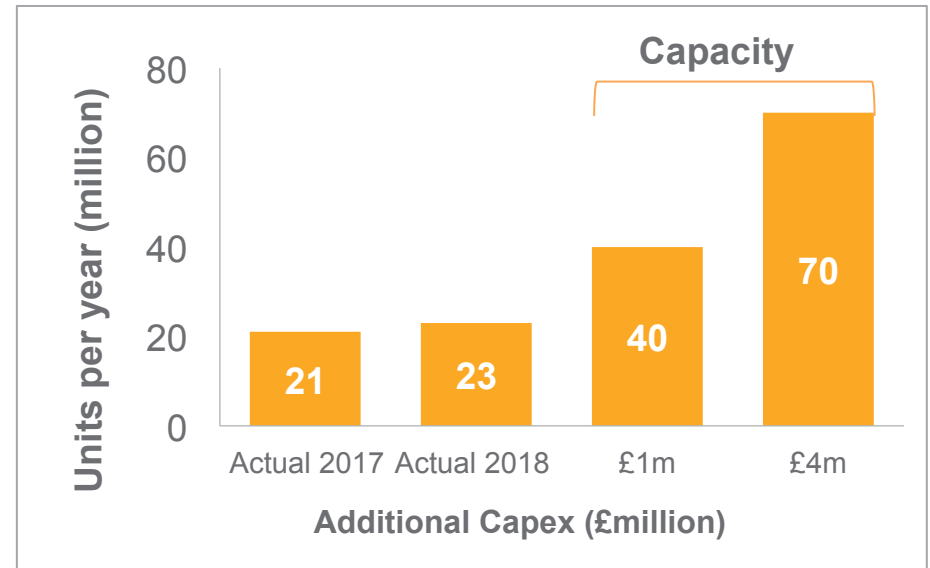
 Almirall

 HELSINN

 *the* **MENARINI**
group



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%
Livingbridge VC LLP	6,570,000	7.8%
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%
LGT Vestra LLP	3,184,510	3.8%
Dr Michael Flynn and associated holdings	2,812,577	3.3%

* 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.