

LETTER FROM THE CHAIRMAN OF

VENN LIFE SCIENCES HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 07514939)

Directors:

Allan Wood (*Chairman*)
Anthony Richardson (*Chief Executive Officer*)
Jonathan Hartshorn (*Chief Financial Officer*)
Gracielle Beijerbacht-Schutjens (*Chief Operations Officer*)
Kees Groen (*Executive Director*)
Michael Ryan (*Non-Executive Director*)
Paul Kennedy (*Non-Executive Director*)
Mary Sheahan (*Non-Executive Director*)

Registered office:

1 Berkeley Street
London
W1J 8DJ

4 October 2016

To: Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

**Sale of Innovenn UK Limited
and
Notice of General Meeting**

1. Introduction

Venn Life Sciences Holdings plc earlier today announced that its wholly owned subsidiary, Venn Life Sciences Limited, has entered into a conditional agreement under which it and Lynchwood Nominees Limited, as custodian for the Helium Rising Stars Fund, would sell the entire issued share capital of Innovenn UK Limited for a total consideration of up to £4,740,000. The consideration is to be settled by the issue and allotment by Integumen Limited of up to 4,593,968 ordinary shares of GBP£1 each in the capital of Integumen at a price of GBP£1 per share and the assumption of debt of £146,032.

The Sale is conditional on Shareholder approval of the resolution contained in the Notice at the end of this document for the purposes of section 190 of the Act. Approval is required as two of the Directors of Innovenn, Anthony Richardson and Declan Service, hold shares in Integumen and consequently the Sale constitutes a substantial property transaction for the purpose of section 190 of the Act.

On completion of the Sale, Anthony Richardson will be a non-executive director of Integumen and will serve on the board of Integumen as Venn's nominee. Declan Service is a Director of Innovenn, a subsidiary of Venn and a Director of Integumen. Accordingly, Anthony Richardson and Declan Service are related parties of the Company as defined in the AIM and ESM Rules. As a result, the disposal is treated as a "related party transaction" under the AIM Rules and the ESM Rules.

Furthermore, the Sale, because of its size relative to the Company is a substantial transaction in accordance with rule 12 of each of the AIM Rules and ESM Rules.

The purpose of this document is to provide further information on the Sale together with an explanation of the resolution to be proposed at the General Meeting. This letter also contains a recommendation to vote in favour of the Resolution as the Independent Directors intend to do in respect of their aggregate shareholding of 6,196,655 Ordinary Shares representing 10.29% per cent. of the Company's issued share capital.

2. Information on Innovenn

Innovenn was founded by Venn in 2014 as an innovation vehicle dedicated to the development and marketing of healthcare products and technologies. The business acquired Labskin, a living skin model, and an anti-acne formulation and since acquisition has invested in the further development and commercialisation of these assets.

Prior to the Sale, the Subsidiary has converted its loan to Innovenn of £1,294,491 into ordinary shares of £0.001 each of Innovenn, increasing its shareholding to 70% of the issued share capital of Innovenn. The other shareholder of Innovenn is the Helium Rising Stars Fund. The Helium Rising Stars Fund is a Cayman-domiciled fund that invests in small UK companies. The fund is managed by ISPartners, a hedge fund manager based in Zurich. The fund is co-managed by David Newton and Christian Benz.

Within the Company's consolidated accounts for the financial year 2015, the Innovenn division reported a loss before tax of £385,000 and had net liabilities of £121,000. Based on the position as at 31st December 2015, the terms described above would crystallise a gain on disposal in the Company's consolidated accounts of approximately £959,000. Post the sale Innovenn will fund its activities from existing cash resources and a €1m 5 year bank loan which is currently guaranteed by Venn (the "Guarantee"). The provision of the Guarantee is a related party transaction as defined in the AIM Rules and the ESM Rules. Subject to bank approval it is intended that post-IPO Integumen will replace Venn as guarantor for this facility.

3. The Sale

The consideration for Innovenn has been agreed at £4,740,000, subject to adjustment depending on the level of Innovenn's current liabilities as at completion. Part of the consideration for the Sale will be settled by the assumption by Integumen of £146,032 of Innovenn's debt, with the balance of £4,593,968 being settled by the allotment of ordinary shares of £1.00 each in the capital of Integumen at par credited as fully paid. At completion an initial sum of £3,675,174 will be settled by the issue of ordinary shares in the capital of Integumen proportionately to the Subsidiary and Helium Rising Star Fund with further shares (if appropriate) being issued to the Subsidiary and the Helium Rising Star Fund once the level of current liabilities has been ascertained.

Under the terms of the SPA the Subsidiary has given Integumen customary warranties and indemnities in respect of Innovenn's business and assets.

The Directors believe the Sale will allow the Group to concentrate on its core activities of drug development and clinical research services. The Sale will help to simplify the financial affairs of Venn allowing for a clearer communication and understanding of the underlying value in its core business.

Under the provisions of section 190 of the Act a company may not enter into an arrangement under which a director of the company or of its holding company, or a person connected with such a director, acquires or is to acquire a non-cash asset valued at more than £100,000 unless the arrangement is conditional upon the approval of that company's shareholders and the shareholders of its holding company.

As Anthony Richardson is a director and shareholder of Integumen and a director of both the Company and the Subsidiary and the share capital of Innovenn has been valued at more than £100,000, the Sale must be approved by the Company's shareholders pursuant to Section 190 of the Act. Such approval must be given by a simple majority of Shareholders voting at a duly convened general meeting.

On completion of the Sale, Anthony Richardson, a Director of Venn, will be a non-executive director of Integumen and will serve on the board of Integumen as Venn's nominee. Declan Service is a Director of Innovenn, a subsidiary of Venn and a Director of Integumen. Accordingly, Anthony Richardson and Declan Service are related parties of the Company as defined in the AIM Rules and the ESM Rules. As a result, the Sale is treated as a "related party transaction" under the AIM Rules and the ESM Rules.

4. Information on Integumen Limited

Integumen has been established for the purpose of building a business in the area of human surface science. Anthony Richardson and Declan Service are the founding directors of Integumen. Anthony

Richardson will serve as a Non-Executive Director of Integumen on completion of the Sale. Declan Service will fulfil an executive management role.

Integumen plans to acquire the business of Innovenn and complementary businesses in the areas of Skin Science, Oral-health and Woundcare. Integumen has two subscriber shares in issue, one owned by Anthony Richardson and one owned by Declan Service. The acquisition of Innovenn and other businesses is to be completed by way of the issue of new shares in Integumen. The allocation of a subscriber share to Anthony Richardson and Declan Service was to facilitate the creation of Integumen as a legal entity and not for the purposes of financial reward. It is calculated that Anthony Richardson and Declan Service will each (and other than through the Company) own less than 1% of the enlarged Integumen business. Integumen plans to seek admission of its shares to trading on AIM in due course and plans to raise capital to fund the future development and commercialisation of the technology portfolio. Integumen has appointed advisors in this regard. Prior to a potential listing and fundraise Integumen will fund its activities out of existing cash reserves and a bank loan facility for €1m which Venn currently guarantees.

In addition to the acquisition of Innovenn, Integumen is in the process of acquiring three additional businesses. The first of these transactions will be completed by way of the purchase of assets of a skin-care company, currently listed on US OTC and owner of a consumer skincare brand. The agreement to acquire these assets is will be conditional on the approval of shareholders in the target company.

In addition to Innovenn and the asset purchase described above, Integumen has agreed terms to acquire a European based Oralhealth company. The purchase will be by way of a purchase of shares and Integumen is targeting the completion of this transaction in the coming weeks. The target currently has an oral hygiene product in the market place with strong international distribution.

Finally Integumen will complete the acquisition of a woundcare business with products in development in the areas of wound diagnostics and infection control. This acquisition will be completed by way of a purchase of shares and Integumen expects to complete this transaction in the coming days.

On completion of the aforementioned transactions, Integumen will have a portfolio of intellectual property and products across four complementary healthcare sectors. On completion of all four transactions Venn would own 30% of the equity of the combined businesses.

Although the Board understands that Integumen intends to enter into the above transactions there is no guarantee that all or any of these will be completed. If Integumen is unsuccessful in acquiring the other businesses and/or concluding a fundraise then the Venn board will consider other options regarding the disposal of its investment. In the event that Integumen completes the aforementioned transactions and successfully lists its shares, the board of Venn will decide whether to retain the investment in Venn or distribute the shares to Venn's shareholders.

5. General Meeting

The General Meeting, notice of which is set out at the end of this document, is to be held at 12 noon on 26th October 2016 at the offices of Jeffries Henry, Finsgate, 5-7 Cranwood Street, London EC1 9V EE. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolution.

The Resolution is being proposed in order to approve (for the purposes of Section 190 of the Act) the Sale and the entry by the Subsidiary into the SPA. Please note that this is not the full text of the Resolution and you should read this section in conjunction with the Resolution contained in the Notice of General Meeting at the end of this document.

6. Action to be taken

A Form of Proxy for use in relation to the General Meeting is enclosed with this document.

Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received by post or, during normal business hours only, by hand, at SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ, as soon as possible but in any event by not later than 12

noon. on 24 October 2016 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointing a proxy in accordance with the instructions set out above (and in the Form of Proxy) will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

7. Recommendation

The Independent Directors, being Allan Wood, Jonathan Hartshorn, Gracielle Schutjens, Cornelius Groen, Michael Ryan, Paul Kennedy and Mary Sheahan, who are not related parties under the AIM Rules and ESM Rules for the purpose of the Sale and the Guarantee, having consulted with Davy, the company's NOMAD and ESM adviser, for the purpose of the AIM Rules and ESM Rules, consider that the Sale and Guarantee are fair and reasonable insofar as the shareholders of the company are concerned. Anthony Richardson has not taken part in the Board's consideration of these matters.

The Independent Directors consider the Sale to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 6,199,655 Ordinary Shares, representing approximately 10.29% per cent. of the Ordinary Shares in issue.

Yours faithfully,

Allan Wood *Chairman*
Venn Life Sciences Holdings plc

DEFINITIONS

The following words and expressions shall have the following meanings in this document, the Notice of General Meeting and the Form of Proxy unless the context otherwise requires:

“Act”	the Companies Act 2006
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange plc from time to time
“Board” or “Directors”	the directors of the Company
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“Company” or “Venn”	Venn Life Sciences Holdings plc, a public limited company registered in England and Wales with a registered number 07514939
“ESM”	the Enterprise Securities Market of the Irish Stock Exchange
“ESM Rules”	the ESM Rules for Companies as published from time to time by the Irish Stock Exchange
“Form of Proxy”	the form of proxy for use at the General Meeting which accompanies this document
“General Meeting”	the general meeting of the Company, notice of which is set out at the end of this document
“Group”	the Company and its subsidiary undertakings
“Guarantee”	the guarantee by Venn of a €1m, 5 year bank loan to Innovenn
“Helium Rising Star Fund”	Helium Rising Stars Fund is a Cayman-domiciled fund launched in January 2014 as the follow-on venture of the Helium Special Situations Fund originally launched in July 2006. The Helium Rising Stars Fund invests in quoted small companies and up to 30% of NAV in private equity type of investments, predominantly pre-IPO situation, public-to-private transactions and private placements. Its focus is on UK companies with a market cap of less than £50m across all sectors excluding mining and natural resources. The fund is managed by ISPartners, a hedge fund manager based in Zurich. The fund is co-managed by David Newton and Christian Benz.
“Independent Directors”	being Allan Wood, Jonathan Hartshorn, Gracielle Schutjens, Cornelius Groen, Michael Ryan, Paul Kennedy and Mary Sheahan
“Innovenn”	Innovenn UK Limited
“Integumen”	Integumen Limited, a company owned and controlled by Anthony Richardson and Declan Service for the purpose of facilitating the acquisition of Innovenn and other businesses
“London Stock Exchange”	London Stock Exchange plc
“Lynchwood Nominees Limited”	a custodian for the Helium Rising Stars Fund
“Notice of General Meeting”	the notice of the General Meeting, which is set out at the end of this document
“Ordinary Shares”	ordinary shares of 0.1 pence each in the share capital of the

	Company
“Registrars”	SLC Registrars at 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ
“Resolution”	the resolution to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Sale”	the sale of all the issued share capital of Innovenn UK Limited to Integumen Limited
“Shareholder(s)”	holder(s) of Ordinary Shares
“SPA”	the share purchase agreement dated 3 October 2016 between (1) the Company and Lynchwood Nominees Limited (as custodian for the Helium Rising Stars Fund) and (2) Integumen Limited
“Subsidiary”	Venn Life Sciences Limited, a wholly owned subsidiary of the Company
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST

VENN LIFE SCIENCES HOLDINGS PLC

(Incorporated in England and Wales with registered number 07514939)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Venn Life Sciences Holdings Plc (the "Company") will be held at the offices of Jeffries Henry, Finsgate, 5-7 Cranwood Street, London EC1 9V EE on 26 October 2016 at 12 noon for the purpose of considering and, if thought fit, passing the resolution set out below.

For the purposes of this Notice capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in the circular from the Company to Shareholders dated 4 October 2016.

ORDINARY RESOLUTION

THAT the Sale and the entry by the Company into the SPA be and is hereby approved for the purposes of Section 190 of the Act.

BY ORDER OF THE BOARD

BPE Secretaries Limited
Company Secretary

4th October 2016

Registered office:

Venn Life Sciences Holdings Plc
1 Berkeley Street
London
W1J 8DJ

NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. The Company specifies that only those members registered on the Company's register of members at:
 - 6.00 p.m. on 24 October 2016; or
 - if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this Notice. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. To appoint more than one proxy, you may photocopy the form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

 - completed and signed; and
 - received by SLC Registrars no later than 12 noon on 24 October 2016.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cutoff time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to its registered address. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than 12 noon on 24 October 2016.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at the close of business on the day immediately preceding the date of this Notice, the Company's issued share capital comprised 60,239,263 ordinary shares of 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company is 60,239,263.