



Collagen Solutions plc

Dr Stewart White
Chief Executive Officer

Exhibition Booth

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www.collagensolutions.com

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Collagen Solutions plc

- Global biomaterials company
 - Source, supply, develop and manufacture
 - Medical device, Regenerative medicine and research markets
- A de-risked business model
 - embedded products, embedded revenues
- Revenue: Organic growth
 - New market channels
 - Extensive range of products and expertise
- Value: Monetise IP
 - multiple clinical indications and sectors

**Aim : Valuation of £100 Million by
2029**

Collagen Solutions : What We Do

We are experts in the sourcing and provision of **functional** medical grade collagen-based biomaterials for use in medical devices and regenerative medicine – at every stage in the value chain.



Raw Tissue



Powder



Polymeric



Soluble



Devices

Collagen
Solutions
IP

Market – Addressable, Attractive, Accessible

Global biomaterials market at end user prices is >\$50bn*

Collagen Based products \$15bn*

Example 1.
Bone graft
substitute
\$3.3bn in the
USA*

CAGR 13%**

Example 2.
RegMed
Scaffolds
\$1.2bn*

CAGR 22%***

Example 3.
Wound Care
>\$8bn**

CAGR
13%**

Collagen has inherent therapeutics benefits and can act as a delivery mechanism

* Hardman Research Note (COS Website)

** Frost and Sullivan

*** [http://www.bccresearch.com/pressroom/bio/global-market-for-3d-cell-cultures-to-reach-\\$2.2-billion-in-2019](http://www.bccresearch.com/pressroom/bio/global-market-for-3d-cell-cultures-to-reach-$2.2-billion-in-2019)

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Collagen Solutions : Global Reach



**R&D
Development**

**Formulation / Device
Development**

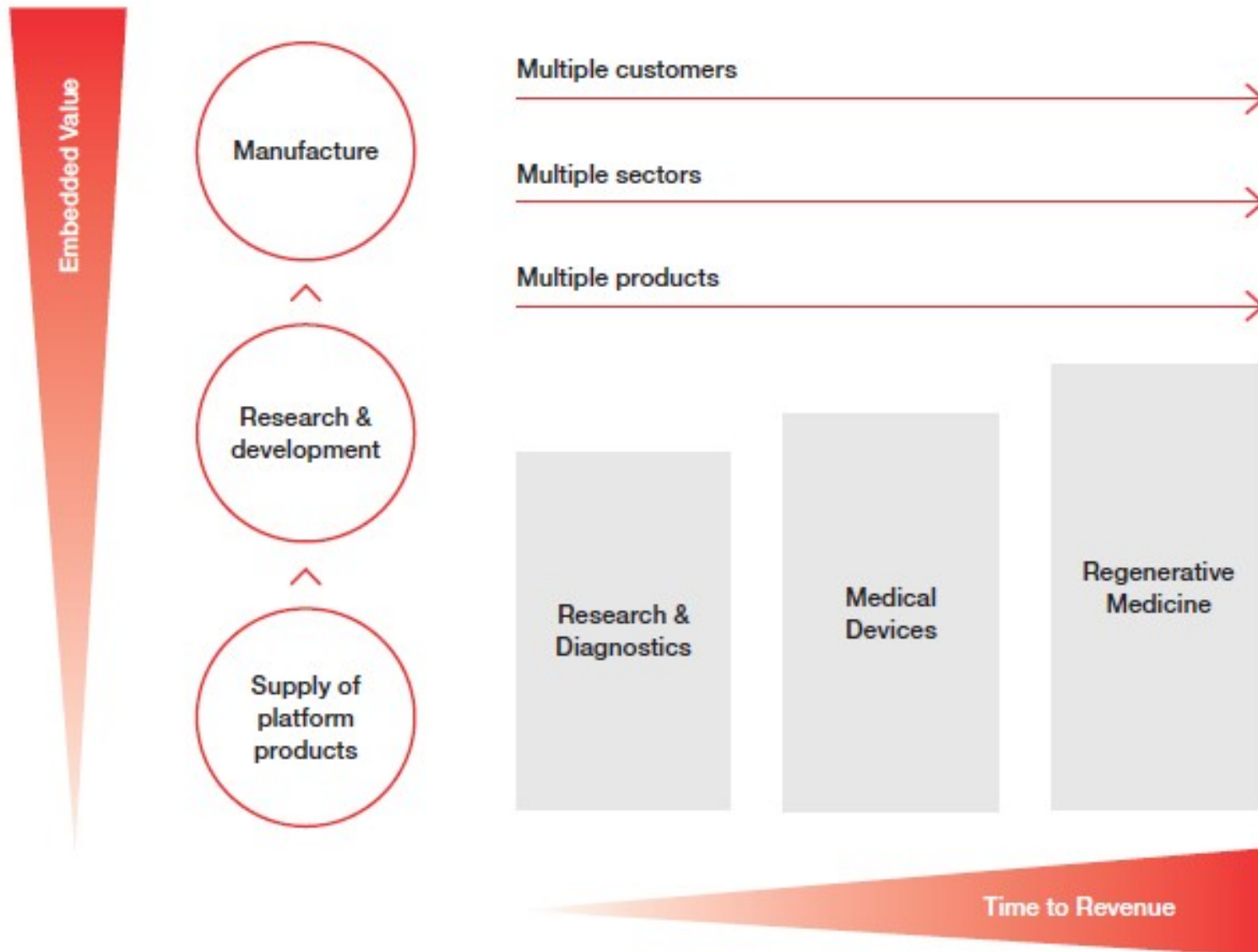
**Clean room
Manufacturing**

**Sterile and Device
Manufacturing**

**Primary
Processing**

**Sourcing and
Manufacturing**

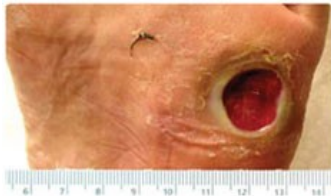
A De-Risked Business Model



FDA Approvals : Customer Case Studies

1. FDA-Approved Diabetic Ulcer Treatment (Taxus Cardium)

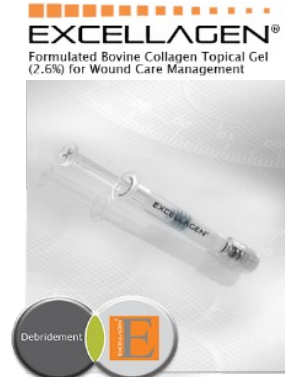
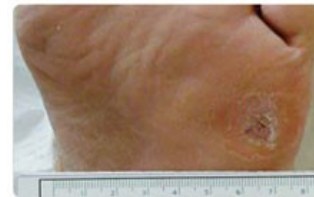
Development and Manufacture of 510(k) Medical Device



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2. Autologous Cell Therapy Scaffold : Burns treatment

Utilised customer IP and COS material and know-how to optimise scaffold product – FDA IND approved – COS is the manufacturer



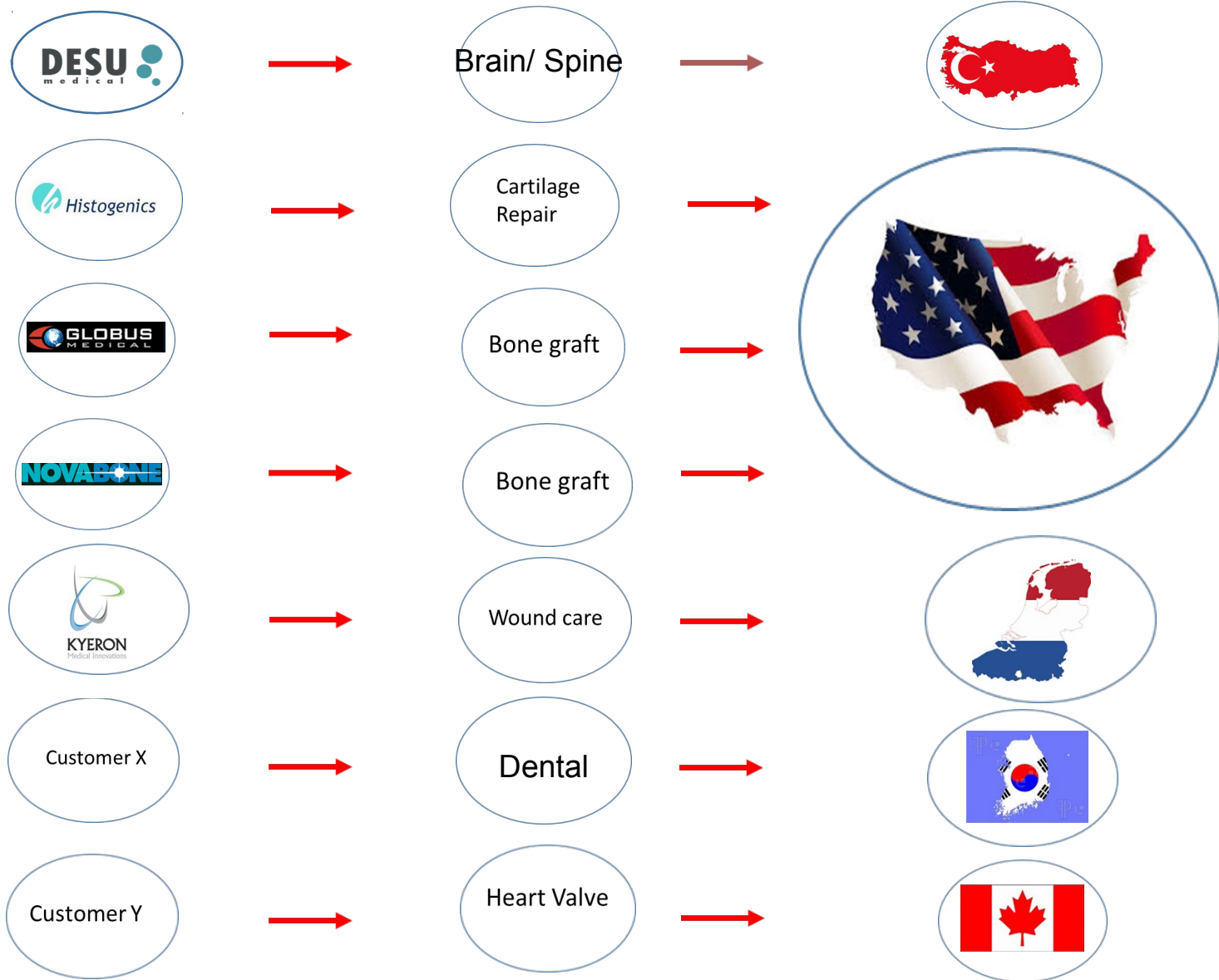
3. FDA approved bone grafts (Globus Medical / Novabone)

Novabone) and powder supply

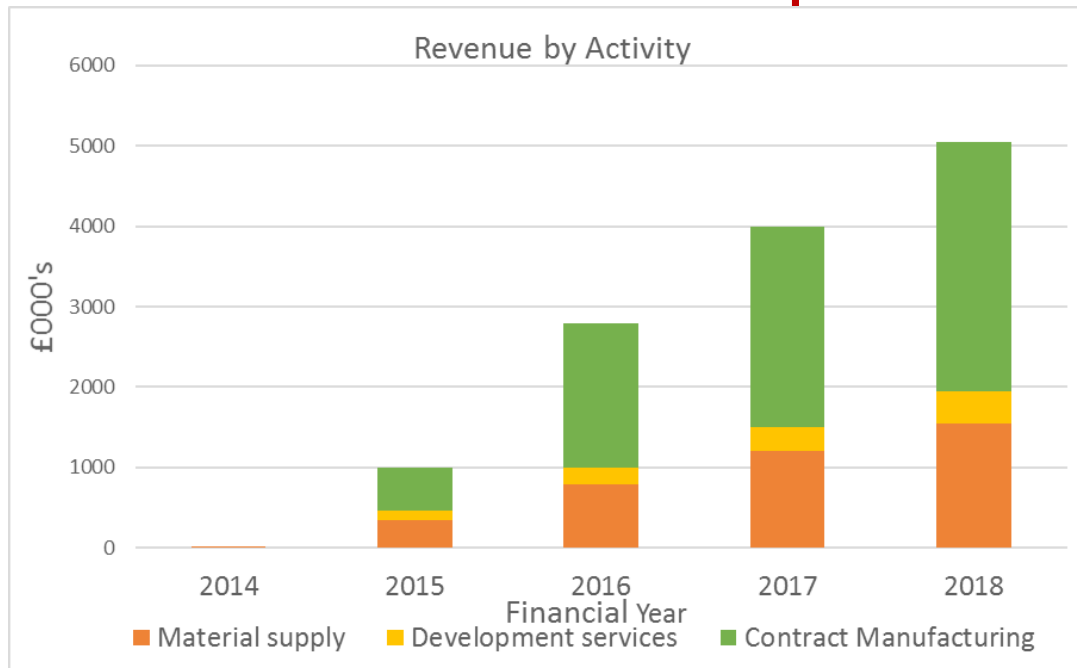


Embedded, functional, approved materials = secured revenues

Customers, Products, Territories



Forecast – Market Expectations*



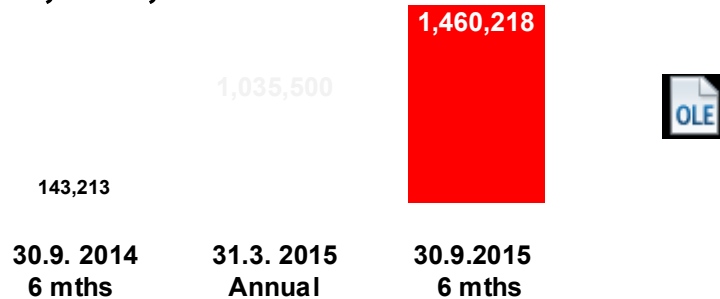
YE31 March	FY14 A	FY15 A	FY16 E	FY17 E	FY18 E
	£000's	£000's	£000's	£000's	£000's
Sales	24	973	2795	4000	5050
Gross profit	12	159	2095	3090	3930
GP%	50%	78%	75%	77%	78%
EBITDA	-364	-726	-755	-235	130

*Source: Hardman Research

Six Months ended 30 September 2015

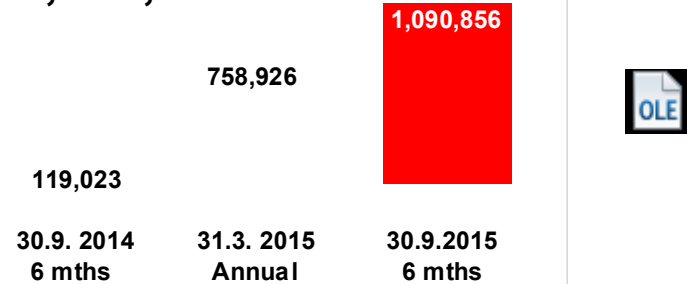
Revenue and other income £

£1,460,218



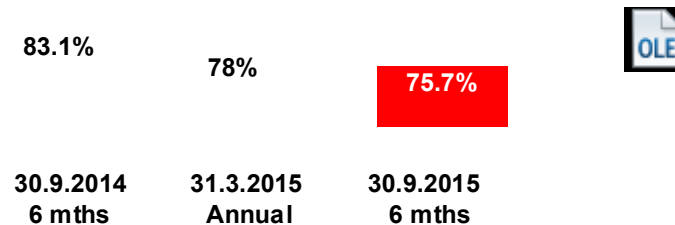
Gross profit £

£1,090,856



Gross profit margin %

75.7%



Six months ended 30 September 2015

LBITDA* £			EPS p		
(£79,376)			(0.26p)		
(522,144)			(0.88p)		
(79,376)			(0.26p)		
30.9.2014 6 mths	31.3. 2015 Annual	30.9. 2015 6 mths	30.9.2014 6 mths	31.3.2015 Annual	30.9.2015 6 mths
Cash and cash equivalents £					
£3,104,230					
927,094					
30.9.20	31.3.2015	30.9.2015			

*Before separately identifiable items – acquisition and integration costs.

ChondroMimetic IP Portfolio

- Acquisition of assets and licensing of IP in September 2015
- Global orthobiologics market valued at \$3.7 billion (2013) reaching \$5.5 billion by 2018, at a CAGR of 5.9%.*
- Strategic review and commercialisation plan in preparation
- Numerous product opportunities
- Significant portfolio opportunity



Cartilage



Ligament



Shoulder



Meniscus



Bone Graft

*(<http://www.marketsandmarkets.com/Market-Reports/orthobiologics-market-162747970.html>)

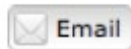
Recent Cartilage Repair Acquisition

Topics: **Implants** | M&A

Smith & Nephew buys cartilage repair product from Piramal

January 12, 2016 | By [Stacy Lawrence](#)

SHARE



Smith & Nephew ([\\$SNN](#)) sees the arthroscopically delivered cartilage repair solution it's just bought from Montreal, Canada-based [Piramal](#) for an undisclosed sum as a first-line treatment. Known as BST-CarGel, it's approved in most of Europe, Australia and Canada.

BST-CarGel is a biopolymer-based solution. It's first mixed with a patient's blood and then implanted into the joint after a microfracture procedure. It can be used to treat damaged cartilage in synovial joints such as the knee, hip, ankle and shoulder.



- Cartilage repair for microfracture
- 5 years clinical data
- Reflects market interest

Ref: <http://www.fiercemedicaldevices.com/tags/bst-cargel>

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China Opportunity

1. Sell existing value-added products into medical device customers in China

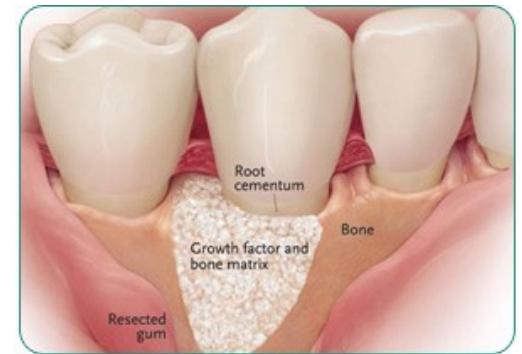
Liquid, Powder, Gel, Pericardium

Joint-venture potential partnership

2. Develop and manufacture medical devices in China

Collagen Solutions has access to a wide range of products

Examples of such products could include:



Strategic Opportunities

- Working to sell capacity into reagent markets – short term revenue
- Developing opportunities with existing customers : Upselling /cross selling
- Develop process and device related IP
- Commercialisation of ChondroMimetic and related IP
 - Customers : ready-made partnering network
- Horizon 2020 – BrainMatTrain (Parkinson's Disease)
- New customers and territories (Asia)
 - potential new NZ manufacturing facility
 - Chinese JV opportunity

Creating Shareholder Value

- >50 year's management experience in collagen exploitation
 - Jamal Rushdy – Chief Business Officer
 - Tom Hyland – Chief Operating Officer
- Global, established, diverse customer base (Asia, EU, N.America)
- Existing and embedded revenues and IP
- Turn-key offering decreases cost and time to commercialisation
- De-risked and evolving business model : Revenue and Value



Collagen Solutions plc (COS)

Thank you

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Collagen Solutions plc (COS)

Appendices

Appendix 2 Collagen Team - Board



David Evans, Chairman

David has a proven track record in acquiring, integrating and growing businesses in the diagnostic area and has extensive plc and private company board experience. Former Chairman of BBI Holdings Plc, Horizon Discovery Ltd, Immunodiagnostics Systems Holdings Plc, DxS Limited, Epistem Holdings Plc, EKF Diagnostics Holdings Plc and Sirigen Group Ltd. David is currently Chairman of Scancell Holdings Plc, Omega Diagnostics Group Plc, Venn Life Sciences Holdings Plc, OptiBiotix Health Plc and Premaita Health Plc.



Stewart White, CEO

Stewart has international experience in operations, business and product development, and 'Good Manufacturing Practices' (GMP) compliant manufacturing of collagen medical devices, advanced biologics and Active Pharmaceutical Ingredients in both Small to Medium Enterprises as well as global pharmaceutical companies. Stewart holds a First Class degree in Applied Microbiology, a Ph.D. in Fermentation Technology & Bioprocessing and an MBA.



Gill Black, CFO

Gill brings extensive financial Board-level experience to the Group, having been Financial Director and Company Secretary of A&E Russell Ltd, guiding the company through the acquisition by Bunzl plc in 2008. She was Head of Finance at AKP Scotland Ltd and GVA James Barr Ltd, where she was also Company Secretary, until it was acquired by GVA Grimley, now part of Bilfinger Real Estate. Previously, Gill who is a Chartered Accountant, was Senior Manager at KPMG advising high growth businesses.



Geoff Bennett, Executive Director and CEO, Southern Lights Biomaterials

Geoff co-founded Southern Lights Biomaterials in 2003. He has financial and operational experience including previously holding the chief financial role at three publicly traded Canadian companies (Pelorus Navigation Systems Inc., Circle Energy Inc. and Solid State Geophysical Inc.) as well as experience of early stage enterprises specialising in technology commercialisation.



Malcolm Gillies, Non-Executive Director

Malcolm is a director in several private companies mostly involved in the healthcare area. He has previously held positions as a NED in public companies and was company secretary at Axis-Shield Plc. He has a background as a corporate finance lawyer, having been a senior partner with Shepherd and Wedderburn.

Shareholding Information

Board &
Management
22%

Legal & General
9%

NVM Private
Equity
7%

Helium Rising
Stars Fund
6%

Calculus Capital
6%

Hargreave Hale
6%

Rathbones IM,
4%

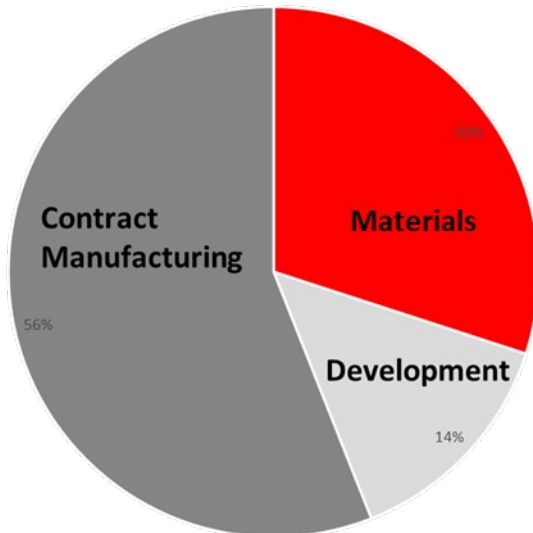
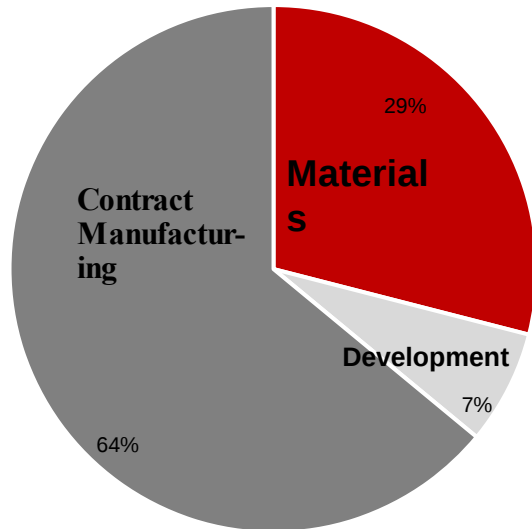
Peter Meyer &
family trusts, 4%

Other
35%

- Shares in issue 171.4m
- Share price 7.25p
- Market Cap £12.43m
- 12 month high 13.00p
- 12 month low 7.00p

As at 29 January 2016

Six Months ended 30 September 2015



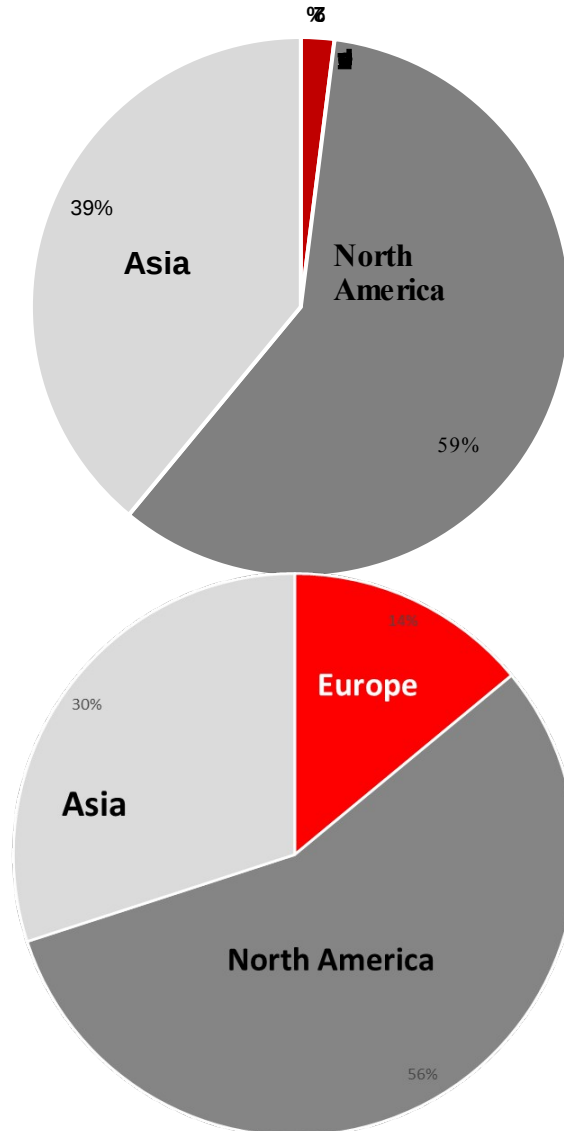
30 September 2015

	£000s	
Materials	411	29%
Development	102	7%
Contract Manufacturing	929	64%
Total Revenue	1,442	100%

Year Ended 31 March 2015

	£000s	
Materials	293	30%
Development	138	14%
Contract Manufacturing	542	56%
Total Revenue	973	100%

Six Months ended 30 September 2015



**30 September
2015**

£000s

Europe	35	2%
North America	846	59%
Asia	561	39%
Total Revenue	1,442	100%

**Year Ended 31 March
2015**

£000s

Europe	141	14%
North America	546	56%
Asia	286	30%
Total Revenue	973	100%