

Tissue Regenix
Group plc

Building a Leading Regenerative Medicines Business

Final results for the year ended 31 December 2023

March 2024

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DANIEL LEE

Chief Executive Officer

Joined Jan 2019, appointed to CEO in Nov 2020

- Over 30 years' experience in medical device and biologics
- Former President of US Operations at CellRight Technologies and Former CEO of Scaffold Biologics and Aperion Biologics
- B.E.S in Materials Science and Engineering from the Johns Hopkins University and M.S. in Biomedical Engineering from the University of Alabama



DAVID COCKE

Chief Financial Officer

Joined Jan 2021

- Over 30 years' experience in the medical device industry
- Founding partner of NuPak Medical, contract manufacturer of sterile disposable medical devices, former CFO at Aperion Biologics (2008-2017) and experience at Salomon Brothers and GE Capital
- B.B.A. in Business Honors from the University of Texas at Austin and M.B.A. from the University of Virginia





Pioneering medical technology company in the field of **regenerative medicine**



dCELL® & BioRinse® - two platform technologies utilising **bone and soft tissues** for the treatment of numerous surgical and non-surgical indications



International manufacturing capabilities – US, UK & Germany



Extensive and expanding product portfolio



Strategic partnerships with **industry leaders** and **market distributors**



Multi-billion-dollar addressable market, transforming patient care and delivering **favourable health economic outcomes**



Financial Highlights



Group revenues **increased by 20%** to \$29.5m (2022: \$24.5m)



Gross profit for the year **increased to 48%** (2022: 46%)



Adjusted EBITDA profit of \$925k against an adjusted EBITDA loss of \$626k in 2022



The **cash position** as at 31 Dec 2023 of \$4.7m (31 Dec 2022: \$5.9m)

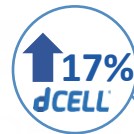
- Cash position increased in the H2 2023

Divisional Revenue Highlights



To \$20.1m (2022: \$16.0m)

result of continued and increased demand for the diversified product portfolio with existing and new customers



To \$6.2m (2022: \$5.3m)

due to the increased commercial activity



2023 Commercial and Operational Highlights



28% year-on-year increase in donor processing throughput during 2023, as a result of additional efficiencies realized from the Phase 1 capacity expansion



Addition of **new BioRinse® product line** for all sports medicine allografts and **dCell® product line extensions** for DermaPure® Mesh and VNEW



Regulatory **approval of logistics partner for allograft distribution in the EU** and **signing of distribution partner in Spain**



Distribution agreements for OrthoPure® XT in the UK, China and Australia



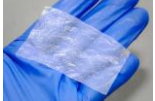



“4S” Strategy continues to drive the Group’s strategy: Supply, Sales Revenue, Sustainability and Scale

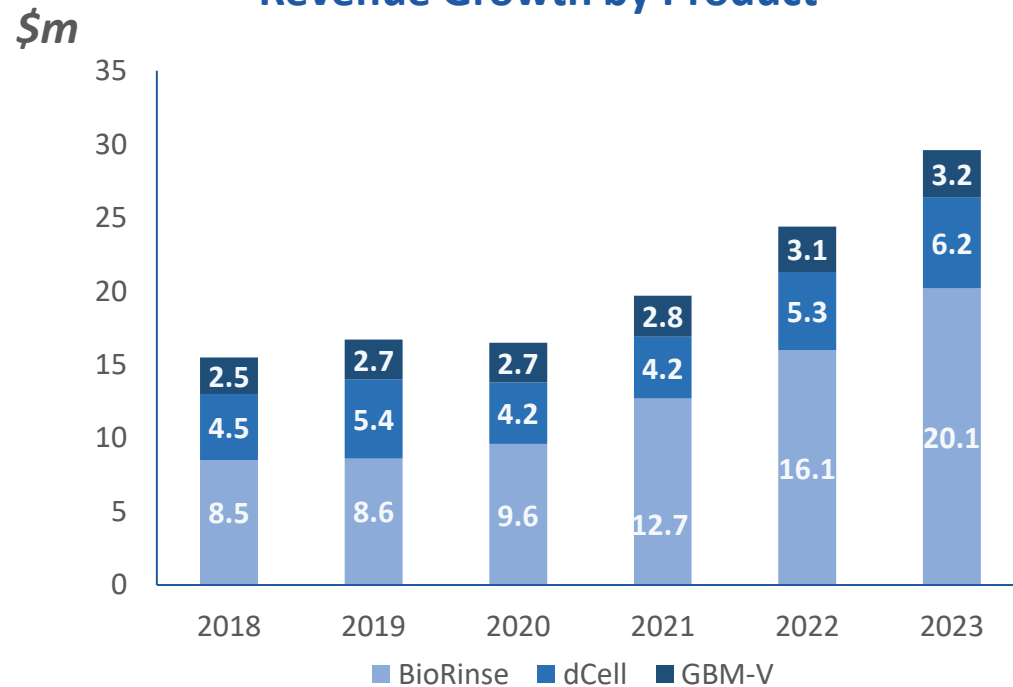


Core Product Portfolio and Line Extensions

High Growth Product Lines Focused On Bone, Soft and Birth Tissues

Processing Platform	BIO Rinse [®] (bone and birth tissue)		dCELL [®] (soft tissue)
By revenue (USD)	\$20.1m in 2023		\$6.2m in 2023
Flagship / high growth Products	 ConCelltrate[®] 	AmnioWorks[™] 	DermaPure[®] 
New product line extensions	<ul style="list-style-type: none"> • Expansion of private label opportunities • Sports medicine grafts 	<ul style="list-style-type: none"> • Expansion of private label opportunities 	<ul style="list-style-type: none"> • DermaPure[®] Mesh 4 x 6 • VNEW[®] M
Applications	<ul style="list-style-type: none"> • Foot / Ankle • Spine • Dental • Orthopaedics 	<ul style="list-style-type: none"> • Ophthalmology • Wound care 	<ul style="list-style-type: none"> • Wound care • Hernia • Plastic surgery • Urogynaecology • Sports medicine
Differentiators	<ul style="list-style-type: none"> ✓ 100% Demineralized Bone Matrix ✓ Sterile ✓ Each lot verified for osteoinductivity ✓ Handling and use properties 	<ul style="list-style-type: none"> ✓ Aesthetics ✓ Clinical outcomes ✓ Stored at room temperature 	<ul style="list-style-type: none"> ✓ Take – 99% DNA removal ✓ Integration ✓ Handling ✓ Stored at room temperature

Revenue Growth by Product



Annual Growth	2019	2020	2021	2022	2023
BioRinse	+1%	+11%	+33%	+26%	+25%
dCELL	+20%	-21%	+0%	+25%	+17%
GBM-V	+6%	+1%	+5%	+12%	+2%

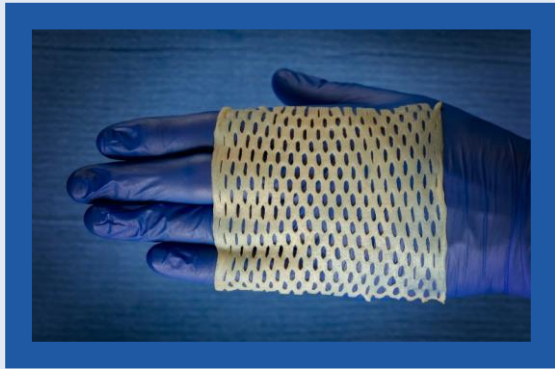
BioRinse- Strong sales growth in US market

- **BioRinse US** – exceptionally strong performance **25% growth from 2022**
- Indicative of the continued confidence in our products
- Strong performance of **distributors and strategic partners**

dCELL – US reorganisation continues to reinvigorate sales growth

- Commercial reorganisation shows results—**sales up 17% for 2023**
- OrthoPure XT – market expansion of the **only commercially available xenograft for sports medicine indications**

DermaPure[®] Mesh 4 x 6



Product line extension and smaller version of product introduced in 2021

Meshed 3:1 is designed for greater surface area coverage

BioRINSE[™] Sports Medicine Soft Tissue



New processing protocols designed to minimize processing effects to produce sterile soft tissue products

Meets market expectations and enables us to be more competitive

VNEW[®] M



Alternative precut dermal graft designed to facilitate pelvic organ prolapse (POP) repair procedures

Products requested by the market demand and our strategic partners will enable to us to continue to enhance our growth potential in the near term

Multi-Billion-Dollar Addressable Market

Global Bone Graft Substitutes market projected to grow at 6.1% CAGR to c. \$6.0 billion by 2029

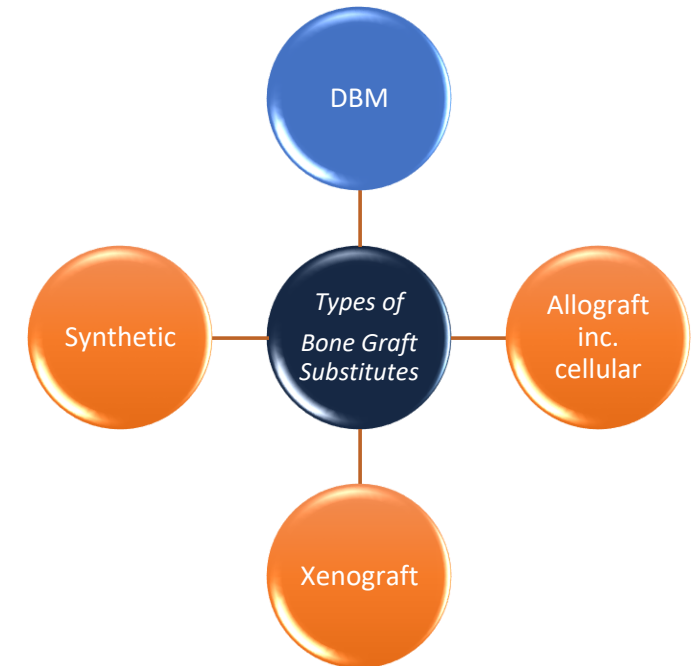
- Increase in prevalence of spinal fusion or other chronic diseases and trauma emergencies
- Market demand and growth returning to pre-pandemic levels
- Rise in awareness related to tissue engineering in global markets
- Key competitors include MTF, LifeNet, RTI Surgical, CTS, AlloSource and XTANT

U.S. Skin Substitute market projected to grow at 2.2% CAGR to c. \$2.0 billion by 2028

- Focus areas are wound management, sports related injuries and uro-gynaecology (through partnership with ARMS Medical)
- Key competitors include Integra, Organogenesis, MiMedx and ColoPlast

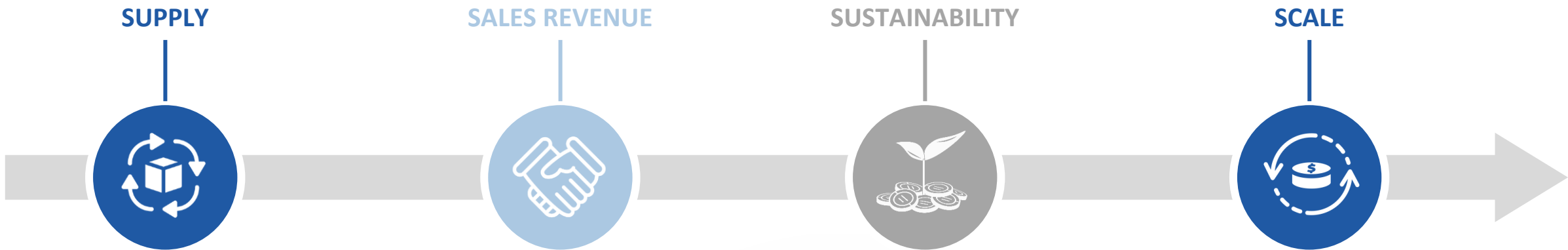
Global Soft Tissue Biologics market projected to grow at 5.0% CAGR to \$3.9 billion by 2028

- Focus area is ligament repair
- Key competitors are MTF, LifeNet, RTI Surgical, CTS, AlloSource and Corin Group



Growing faster than the markets we compete in due to superior product performance, responsive customer service and adaptability to client needs

Focusing on the Four S's



	SUPPLY	SALES REVENUE	SUSTAINABILITY	SCALE
2023 Accomplishments	<ul style="list-style-type: none"> • 31% increase in musculoskeletal and dermis donor sourcing • Signed two new donor supply contract for BioRinse in 2023 • Continued increase in processing efficiencies 	<ul style="list-style-type: none"> • BioRinse division returned 25% growth in the period, continuing to take market share • Commercial reorganisation of dCELL division continues to show benefits with 17% sales growth in 2023. Added 66 new distributors; 206% of plan. • 13% increase in shipments of finished goods units 	<ul style="list-style-type: none"> • Positive Adjusted EBITDA for 2023 due to sales growth and tight expense management • Increased capacity from Phase One expansion allows Phase Two capital expenditure to be pushed out • Cash position increased in H2 2023 	<ul style="list-style-type: none"> • Established a third-party logistics provider to provide distribution services to the European Union and the UK • Increased credit facility with MidCap from \$5.0m to \$10.0m to support future working capital growth
2024 Future objectives	<ul style="list-style-type: none"> • Phase 2 expansion has been pushed to 2025 as a result of the capacity created by Phase 1 • Planning and commitments for Phase 2 expansion 	<ul style="list-style-type: none"> • Support continue growth of base business • Continue taking market share with above-market, double digit growth rates 	<ul style="list-style-type: none"> • Continue tight monitoring and control of operational and capital expenses • Continue to identify opportunities to be more capital efficient across all aspects of the organisation 	<ul style="list-style-type: none"> • Distribute allograft tissue products in markets outside the US • Distribute xenograft tissue in markets outside of the EU

Building on the 4S Foundation

Our Growth Pillars



1

Base Business

Growth of our base business with existing and new customers

2

Tissue Partnerships

Growth of our unique capacity to provide donor and in-process tissue

3

Market Expansion

Growth into additional surgical specialties and geographic regions globally

4

Regulatory Evolution

Growth into markets requiring device approvals or with products classified as devices

Supply

Sales Revenue

4S's

Sustainability

Scale

Financials

Consolidated statement of comprehensive income | For the full year to 31 December 2023



	<i>Full Year 2023 Audited</i>	<i>Full Year 2022 Audited</i>
	USD'000	USD'000
Revenue	29,493	24,476
Cost of sales	(15,453)	(13,218)
Gross Profit	14,040	11,258
Administrative expenses before exceptional items	(14,434)	(13,268)
Operating loss	(394)	(2,010)
Finance income	26	8
Finance charges	(1,301)	(826)
Loss before taxation	(1,669)	(2,828)
Taxation	12	232
Loss for the year	(1,657)	(2,596)

- Group **revenues increased by 20%** to \$29.5m (2022: \$24.5m) driven by:
 - **BioRinse** up 25% to \$20.1m (2022: \$16.1m)
 - **dCELL** up 17% to \$6.2m (2022: \$5.3m)
- **Gross profit** increased to 48% (2022: 46%)
- **Sixth consecutive reporting period of growth, averaging over 20% for the last three years**
- **Adjusted EBITDA profit of \$0.9m** (2022: \$(0.6)m)
- **Profitable on an adjusted EBITDA basis for the year**

Financials

Consolidated statement of financial position | For the full year to 31 December 2023

	As at 31 December 2023 Audited USD'000	As at 31 December 2022 Audited USD'000
Assets		
Property, plant and equipment	5,748	5,740
Right-of-use assets	3,270	3,203
Intangible assets	15,135	15,061
Non-current assets	24,153	24,004
Inventory	10,358	10,882
Trade and other receivables	3,730	4,803
Corporation tax receivable	352	401
Cash and cash equivalents	4,650	5,949
Current assets	19,090	22,035
Total assets	43,243	46,039
Liabilities		
Loans and borrowings	(5,527)	(5,258)
Deferred tax	(400)	(520)
Lease Liability	(3,226)	(3,216)
Non-current liabilities	(9,153)	(8,994)
Trade and other payables	(3,783)	(5,510)
Taxation Payable	(310)	-cc
Loans and borrowings	(458)	(1,000)
Lease liability	(184)	(134)
Current liabilities	(4,735)	(6,644)
Total liabilities	(13,888)	(15,638)
Net assets	29,355	30,401

- **Strong cash position** of \$4.7m (2022: \$5.9m)
 - Cash position increased in the H2 2023, a first for the Group
- **Inventory levels** decreased 5% as sales increased 20%. Turnover **increased 23%** over 2022 levels
- **Trade receivables** collections **improved 40%** from prior year levels
- Revised MidCap Financial facility **extends maturity to 2028**; interest only until January 2024. **Revolving credit facility increased from \$5m to \$10m**; not required by current business plan but provides flexibility for growth

Summary and Outlook



Continued progress on executing '4S' strategy with the addition of four Growth Pillars to focus activities within the Group



Increased capacity and **improvements in efficiency** have given the Group much more operational flexibility



Continued progress to profitability with **positive adjusted EBTIDA for 2023**



Obtaining regulatory approvals outside the US to scale our business by entering into markets with a lack of access to tissue products



Group revenues increased by 20% to \$29.5m (2022: \$24.5m) with Group positioned to continue its growth trajectory



Cash balance supports the current growth plan, and increased in the H2 2023



Appendix

Focussing on the Four S's

S UPPLY



- Tissue Regenix benefits from having **strong relationships with tissue suppliers**, which is **fundamental for growth**
- Strategy centres around growth of **tissue supply for existing** and new customers
- Once tissue has been procured, there must be **adequate capacity** to transform it into finished products
- Tissue has delivered this with the **expansion of facility** and the **increase in donor sourcing agreements**

S ALES REVENUE



- Sales revenue is the result of supply in conjunction with concerted **commercial and product development efforts**
- **Diversified portfolio and customer partners** generate Company's revenues
- To ensure **long-term objectives are met**

S USTAINABILITY



- Sustainability occurs when the growth in sales revenue, made possible by supply, funds the **Company's existence without reliance on external capital**
- **Laser focus on revenue growth** critical to realising operational leverage and profitability
- **Tight expense management** with an emphasis towards commercial needs, should accelerate transition to sustainability

S CALE



- Driven by sustainability, scale allows the Group to **pursue strategic growth alternatives** which further enhance supply, sales revenue and sustainability
- The Group continue to look at **opportunities to invest in cost reductions, acquire companies** and **new technologies**
- **Execution of further strategic partnerships** can help with long term growth opportunities

Significant Shareholders

As of 29 February 2024, shareholders holding more than 3% of the share capital of Tissue Regenix Group Plc are:

Harwood Capital	15.04%
Inthallo Limited	14.04%
Lombard Odier Asset Management	10.57%
Richard Griffiths & Controlled entities	9.71%
IP Group	9.25%



DANIEL LEE
Chief Executive Officer

- Bio on slide 3



JONATHAN GLENN
Chairman

- Held position of Group Finance Director of Consort Medical plc from September 2006 to December 2007
- Former Chief Executive Officer at Consort Medical plc December 2007 – January 2020



BRIAN PHILLIPS
NED

- Entrepreneurial investment professional with over 25 years' experience
- Current Principal of Ethos partners, which he co-founded in 2018



DAVID COCKE
Chief Financial Officer

- Bio on slide 3



SHERVANTHI HOMER-VANNIASINKAM
NED

- Graduated from Mysore University, India in 1981
- Became a Fellow of the Royal College of Surgeons, Edinburgh in 1989
- Appointed Consultant Vascular Surgeon at Leeds General Infirmary in 1995



TREVOR PHILLIPS
NED

- Extensive listed experience in the UK & US corporate development, M&A in pharma and life sciences industry
- Held positions as Executive Chairman of hVIVO (2017-2020), COO of Vectura Group plc (2011-2017)