**Market data**

| | |
|--------------|-------|
| EPIC/TKR | SPH |
| Price (p) | 28.9 |
| 12m High (p) | 42.0 |
| 12m Low (p) | 26.5 |
| Shares (m) | 502.1 |
| Mkt Cap (£m) | 145.1 |
| EV (£m) | 120.6 |
| Free Float* | 56% |
| Market | AIM |

*As defined by AIM Rule 26

Description

Sinclair operates in the aesthetics market with a portfolio of technologies targeting unmet clinical needs for natural looking and minimally-invasive treatments. It has an established marketing presence in Europe presence in Brazil, the second largest market, and is entering the US.

Company information

| | |
|----------|---------------|
| CEO | Chris Spooner |
| CFO | Alan Olby |
| Chairman | Grahame Cook |

+44 20 7467 6920
www.sinclairpharma.com

Key shareholders

| | |
|--------------------|-------|
| Directors | 2.3% |
| Toscafund | 29.2% |
| Lansdowne Partners | 11.9% |
| Abingworth LLP | 5.9% |
| Fidelity | 5.4% |
| Schroders | 5.8% |

Next event

| | |
|--------|----------------|
| Jan-17 | Trading update |
| Mar-17 | Finals |

Analysts

| | |
|-------------|---------------------|
| Martin Hall | 020 7148 1433 |
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Sinclair Pharma

Poised for a long term uplift

Sinclair has evolved into a pure-play aesthetics company with a concentrated and highly competitive portfolio of differentiated injectable aesthetics products. These products target unmet clinical needs for effective, high quality, longer duration, natural looking and minimally-invasive treatments, which is a significant growth opportunity. Sinclair has an established sales and marketing presence in Europe, direct sales in Brazil, and operates through an international group of distributors in other markets, including SE Asia and the US. With the benefit of a strong balance sheet, Sinclair is investing in an accelerated growth phase and margin expansion.

- **Strategy:** Following an extensive strategic review, Sinclair disposed of its non-core pharmaceuticals business, transforming the group into a focused aesthetics business operating with a mixed direct sales and distributor model. Entry into the important US market is via a recent distribution agreement with ThermiGen.
- **Growth prospects:** Sinclair is operating in high growth markets and expects to accelerate growth in its own performance through a number of product distribution and marketing initiatives, expansion into new geographic territories, and through the launch of product line extensions.
- **Financials:** With interims as expected, the Company reiterated its CY2016 guidance of 40% sales growth, pre-Brazil consolidation and US Silhouette InstaLift sales. Management also stated that Q3 2016 sales are expected to exceed £7.7m. Forecasts remain unchanged with EBITDA break-even in 2017.
- **Valuation:** We use primarily a DCF approach as there are few quoted competitors that could be considered as true comparator companies for valuation purposes. Our DCF valuation, using a 10% WACC and terminal growth rate of 2%, suggests a valuation of around 100p.
- **Investment summary:** The company is investing in an accelerated growth phase to deliver EBITDA profit next year and overall profitability in fiscal 2018. The shares offer the opportunity to invest in a high growth company with expanding margins and high operational leverage. The risk/reward profile is most favourable and the shares are attractively valued on a DCF basis.

Financial summary and valuation

| Year end Dec (£m) | 2015 | 2016E | 2017E | 2018E | 2019E |
|--------------------|-------|-------|-------|-------|-------|
| Sales | 25.0 | 35.8 | 45.9 | 58.4 | 72.9 |
| Gross profit | 17.2 | 25.6 | 33.5 | 43.0 | 53.9 |
| EBITDA | -7.9 | -6.7 | 1.9 | 10.4 | 20.5 |
| Underlying EBIT | -16.4 | -12.2 | -3.6 | 4.9 | 15.0 |
| Reported EBIT | -18.2 | -9.1 | -5.3 | 3.2 | 13.3 |
| Underlying PTP | -16.4 | -17.7 | -7.0 | 2.0 | 13.0 |
| Underlying EPS (p) | -3.3 | -3.3 | -1.2 | 0.5 | 2.1 |
| Statutory EPS (p) | -3.7 | -2.7 | -1.6 | 0.1 | 1.8 |
| Net (debt)/cash | 75.4 | 15.7 | 3.8 | 8.2 | 4.1 |
| P/E (x) | - | - | - | - | 13.5 |
| EV/sales (x) | 5.3 | 3.7 | 2.9 | 2.3 | 1.8 |
| EV/EBITDA (x) | - | - | - | 12.7 | 6.5 |

Source: Hardman & Co Life Sciences Research

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Executive summary

Sinclair has evolved into a well - positioned, focused aesthetics company

Investment conclusion

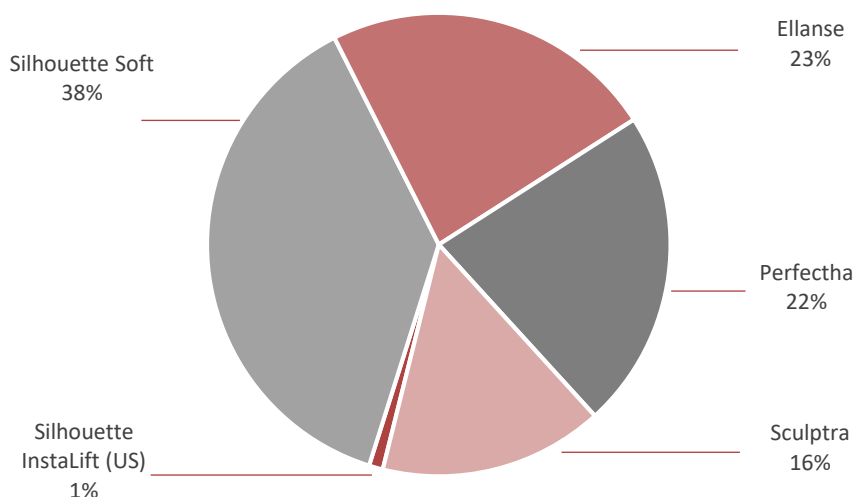
The company, now with a debt-free balance sheet, is investing in an accelerated growth phase to deliver EBITDA profit next year and overall profitability in fiscal 2018. The shares offer the opportunity to invest in a high growth company with expanding margins. The risk/reward profile is most favourable and the shares are attractively valued on a DCF basis

Broad and differentiated product portfolio

Sinclair has been transformed over the last eighteen months. Following a strategic review that commenced in December 2014 and ended in May 2016, the company made some important changes which has resulted in its evolution into a well-positioned pure aesthetics company operating in the fast-growth, high-margin, differentiated injectable aesthetics markets.

Sinclair's product range comprises of four products to improve facial aesthetics. The range is differentiated, yet complementary, and trades under the following brand names: Silhouette, Ellansé, Perfectha and Sculptra. Atléan, a treatment for the lower face, is expected to be re-launched in 2018

Sinclair product portfolio – 2016E



Source: Hardman & Co Life Sciences Research

Operates in the high growth injectable aesthetics market

Injectable aesthetics market – premium growth at ca.12%

Sinclair operates in the injectable aesthetics market which is considered to be the premium growth segment within the global medical aesthetics market. This segment is estimated to be worth around \$4.5bn, with growth at around 12% compared with the overall aesthetics market of around \$11bn, and growing at 10%.

The largest and strong growing markets are respectively the US, China and Brazil. The US is the largest facial injectables market worth around \$2.5bn and growing at 11%. Over 2 million filler procedures were undertaken in 2015 and there are about 16,000 aesthetic surgeons of whom ca.6,700 are plastic surgeons. The Chinese and Brazilian markets, whilst smaller, are faster growing with growth of over 12%.

The key characteristics of this market are its resilience to economic cycles, and its strong performances in the developed and European markets (currently less than 3% market penetration) – with strong growth in emerging markets where, importantly, prices are very similar to those in Western economies.

Drivers of growth

- ▶ Increased adoption of minimally invasive and non-invasive aesthetic procedures
- ▶ Ageing population
- ▶ Increasing customer awareness
- ▶ Rising number of aesthetic procedures
- ▶ Increasing demand for aesthetic treatments among the male population
- ▶ Procedures privately paid for as opposed to medical reimbursements

Distribution strengthened

In May 2016, Sinclair announced that it had signed an exclusive four year US distribution and strategic marketing agreement with ThermiGen, an Almirall SA Company for Silhouette InstaLift. Sinclair will now have immediate access to the single largest aesthetics market in the world via a highly successful and well established sales force.

Exclusive four-year deal with ThermiGen

Furthermore, Sinclair recently created a Brazilian affiliate and repatriated the local rights for Silhouette Soft. This will provide a platform in Brazil to enable direct sales of Perfectha, the rights of which have been returned to Sinclair, and Ellansé once regulatory approval is received – anticipated in 2018/19. The transaction became effective on 1st July 2016.

Creation of Brazilian affiliate

As a consequence of the strengthening of its distribution channels, the company has an extensive programme of product launches into the largest and fast growing markets in the world over the next few years. 2019 will also see launches in selected markets in South America and Northern Africa.

Numerous new geographical launches

| Sinclair – Upcoming launches | | | | |
|-------------------------------------|-------------|-------------|---------------------|-------------|
| Product | 2016 | 2017 | 2018 | 2019 |
| Silhouette InstaLift | US | | | |
| Silhouette Soft | Mexico | Iran | Argentina | China |
| Ellansé | Mexico | | Argentina Brazil | US China |
| Perfectha | Mexico | | Argentina | China |

Source: Sinclair Pharma; Hardman & Co Life Sciences Research

Staff restructuring programme

The company has announced recently that a comprehensive staff restructuring programme has been implemented. Sinclair has radically simplified its operations since the disposal of the medicinal business in December 2015. There are now just four brands, reduced from 32, SKUs have dropped from 1250 to 52, external contract manufacturers have reduced from 19 to 3 and there are 40 fewer distribution partners. 39 staff were transferred across to Alliance Pharma and a further 13 have now left the company. Consequently, the group's cost base has been reduced by more than £2m.

Staff restructuring programme-cost base reduced by more than £2m

Limited pricing pressures compared with those facing other pharmaceutical companies

Risks: competitive market, but limited pricing pressure

The company is operating in competitive markets dominated by large multinationals. Key risks include a slow uptake of Silhouette in the US, delays to product line extensions for Ellansé and Perfectha, and potential for competition from newer technologies/products.

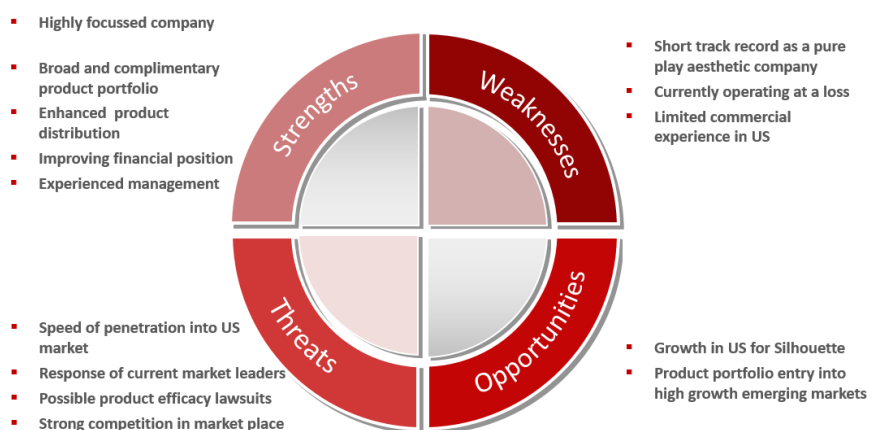
Within the pharmaceutical industry pricing has become an important concern for healthcare investors in recent years. However, this risk is much less relevant for Sinclair since aesthetic dermatology is less regulated than the prescription drugs market and is largely unreimbursed – i.e. private pay.

A well-positioned specialty pharmaceutical company

A well-positioned company

Overall we believe that Sinclair is a well-positioned specialty pharmaceutical company with a good competitive position and solid financial resources.

Sinclair Pharma SWOT analysis



Source: Hardman & Co Life Sciences Research

Sales growth of 30% CAGR

Sales growth at over 30% CAGR

Recent interim results revealed solid sales growth across all product lines with a return to normalised distributor inventory levels following an element of distributor de-stocking in the final quarter of 2015. Group sales are anticipated to grow substantially at +30% CAGR over the next five years with growth driven by the Silhouette product line – US and internationally – and Ellansé.

Gross margins rising from 70.5% to 74%

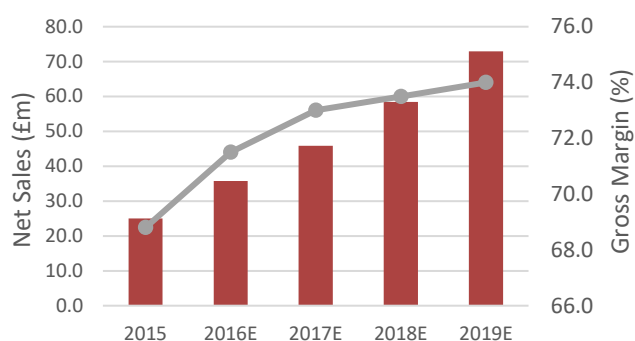
Gross margins are currently at 70.5% and forecast to rise to around 74%, reflecting an improving product mix with sales' growth of high margin products- Silhouette Soft and Ellansé.

EBITDA at breakeven in 2017, group to remain debt free

Finances – sound basis for the future

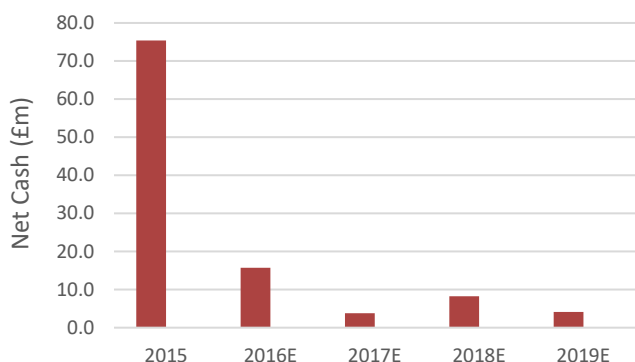
EBITDA is forecast to improve significantly. The business is already close to breakeven from an estimated *pro-forma* -£7.9m in 2015. From fully breakeven in 2017, it is then forecast to generate over £20m in 2019 with EBITDA margins of around 28%. The balance sheet will remain debt free in the medium term making a capital increase unlikely.

Sales & Gross margin



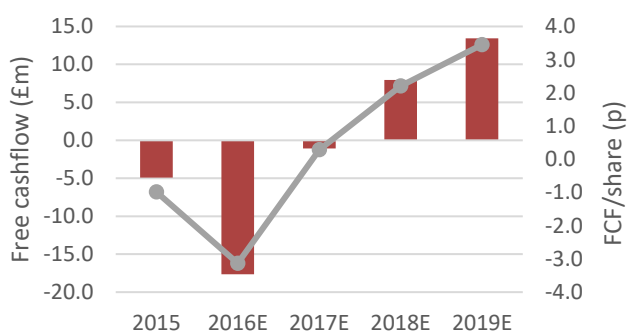
- ▶ Sales growth driven by the Silhouette product line - in US and internationally, and Ellansé in new markets
- ▶ Group sales are expected to grow substantially with over 30% CAGR anticipated over the next 5 years
- ▶ Gross margin is 70% and is likely to rise to over 74% reflecting sales growth of high margin products: Silhouette and Ellansé.

Net cash position



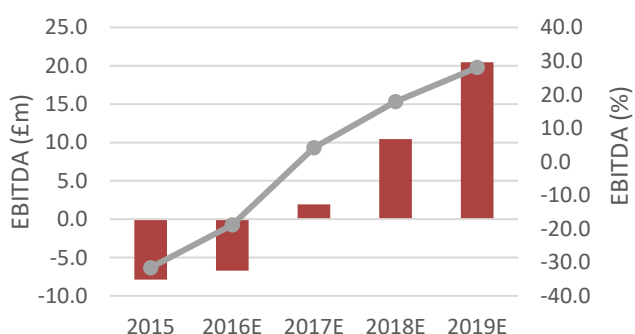
- ▶ Group had a net cash position as of 30th December 2015 of £75.4m
- ▶ As at June 2016 net cash was £24.4m after paying the discounted Aqtis milestone payment of around £15m and Silhouette milestones of around \$30m
- ▶ The group's future cash position is affected by deferred considerations/milestone payments in 2018 and 2019

Free cashflow



- ▶ Cash flow forecasts are conservative and any future change is more likely to be upwards
- ▶ Future cashflow generation capabilities of group will reflect the Silhouette InstaLift and Perfectha milestone payments scheduled over the next two/three years. These amount to around £40m in 2016, £10.9m in 2017, £1.9m in 2018 and £17.5m in 2019.

EBITDA/EBITDA margin



- ▶ Group is already operating close to EBITDA breakeven and forecasting to be EBITDA breakeven in 2017
- ▶ EBITDA margins of just over 28% attainable in 2019
- ▶ Medium/long-term EBITDA margin potential in excess of 40%

Source: Company data; Hardman & Co Life Sciences Research

Pure play aesthetics company

Sinclair has evolved into focused aesthetics company

A portfolio of differentiated and complementary aesthetics technologies...

...offering significant growth opportunities

Sinclair has been transformed over the last eighteen months. Following an extensive strategic review lasting 18 months, the company made some important changes which have resulted in Sinclair's evolution into a pure aesthetics company operating in the fast-growth, high-margin, differentiated aesthetics markets.

Significant growth opportunity

The company has developed a small but strong portfolio of differentiated, complementary, aesthetics technologies, targeting unmet clinical needs for effective, high quality, longer duration, natural looking and minimally-invasive treatments. This portfolio is forecast to experience significant growth in the medium term from its established market leading position in the EU and Brazil, and through its international distributor network. Added to this, Sinclair is planning to enter multiple new geographic markets and will launch several line extensions over the next few years. The Company's key strategic thrust is to continue to invest to build a dynamic and fast-growing global aesthetics business.

Sinclair – Transition to high growth aesthetics



Source: Sinclair Pharma

Disposal of non-core pharma business...

...and key strategic marketing deal with ThermiGen

New Brazilian affiliate provides a direct sales outlet

Restructured group

In December 2015 Sinclair completed the disposal of its non-core pharmaceuticals business to Alliance Pharma for £132m. This was followed in May 2016, with an exclusive four year US distribution and strategic marketing agreement with ThermiGen, a subsidiary of Almirall SA, for Silhouette InstaLift. Disposal of the non-aesthetics business, coupled with the strategic marketing agreement with ThermiGen and other distribution/marketing initiatives, has improved greatly Sinclair's growth prospects.

Furthermore, Sinclair created recently a Brazilian affiliate and repatriated the local rights for Silhouette Soft, with the transaction becoming effective on 1st July 2016. Building on the successful launch of Silhouette Soft in Brazil, this new affiliate will provide a platform through which to relaunch direct sales of Perfectha, the rights of which have been returned to Sinclair, and Ellansé, when regulatory approval has been granted – anticipated in 2018.

Sinclair Pharma

Simplified operations following disposal of medical products ...

Disposal of the medicinal business in December 2015 has radically simplified Sinclair's operations:

- ▶ Sinclair has just four brands – reduced from 32
- ▶ SKUs have dropped from 1250 to 52
- ▶ External contract manufacturers have been reduced from 19 to 3
- ▶ 40 fewer distribution partners
- ▶ About 40 staff were transferred to Alliance Pharma at the time of the pharmaceutical business disposal
- ▶ A further 13 employees have left the company
- ▶ Group cost base reduced by more than £2m

...with much lower cost base

In addition, the company has announced and implemented a comprehensive staff restructuring programme recently, further lowering the cost base.

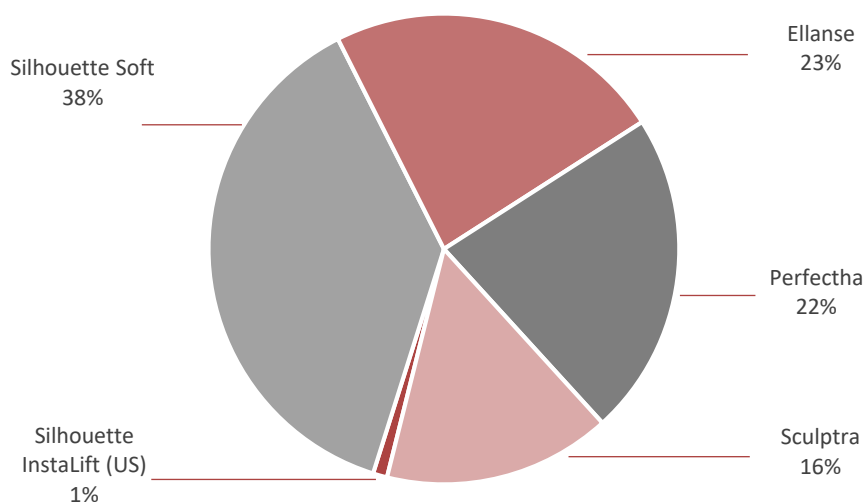
Product portfolio

Focused and differentiated

Currently four principle brands

Sinclair’s product range comprises just four products, to improve facial aesthetics. The range is differentiated, yet complementary, and trades under the following brand names: Silhouette, Ellansé, Perfectha and Sculptra. Atlean, a treatment for the lower face, is expected to be relaunched in late 2018

Sinclair product portfolio – 2016E



Source: Hardman & Co Life Sciences Research

The Silhouette range is the largest contributor to the group, with an estimated 42% of sales in fiscal 2016. Given that Silhouette InstaLift has just been launched in the US, this position is likely to be further consolidated in the future.

Sinclair – Highly differentiated and broad portfolio

| Enhancing & lifting | Deep tissue regeneration | Volumising | Biostimulating | |
|---|---|--|--|----------------------------|
| | | | | |
| Silhouette | Ellansé | Sculptra / New-Fill | Perfectha | |
| <ul style="list-style-type: none"> Resorbable PLLA/PGLA sutures with bidirectional resorbable cones for skin repositioning and lifting | <ul style="list-style-type: none"> New generation of collagen stimulator made of PCL for immediate correction and tunable longevity from 1 to 4 years | <ul style="list-style-type: none"> Collagen stimulator made of PLLA for progressive correction Western European rights | <ul style="list-style-type: none"> Latest generation of biphasic HA filler range for volume and contouring Leading viscoelastic profile | |
| <ul style="list-style-type: none"> ✓ Redefined face, volume repositioned, reduced wrinkles ✓ Long-lasting results ✓ Immediate correction ✓ Non-surgical procedure ✓ Minimal downtime | <ul style="list-style-type: none"> ✓ Immediate volumisation (due to the CMC "carrier") followed by ongoing improvement via collagen stimulation ✓ Improved skin quality ✓ Safe ✓ Tunable duration from 1 to 4 years | <ul style="list-style-type: none"> ✓ Deep tissue regeneration ✓ Full facial approach ✓ Gradual and Natural results ✓ Long lasting correction up to 25 months ✓ Recognisable brand | <ul style="list-style-type: none"> ✓ High volumising capacity ✓ Easy to inject ✓ Long lasting correction ✓ Provides complementary treatments for facial contouring and fine tuning | |
| <ul style="list-style-type: none"> • Skin booster • Injectable collagen stimulator and HA filler • Currently renewing CE mark | <ul style="list-style-type: none"> ✓ Long term skin biostimulation ✓ Well tolerated ✓ Totally resorbable | | | |
| Peak sales potential: £150m | Peak sales potential: £90m | Peak sales potential: £5m | Peak sales potential: £20m | Peak sales potential: £15m |

Source: Sinclair Pharma

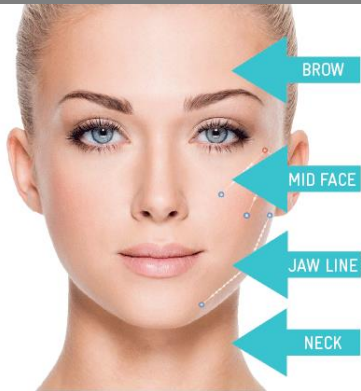
Silhouette®

Silhouette Soft® – the global ex-US brand

Silhouette Soft is a non-surgical, minimally invasive treatment to lift the skin. It is made of a polylactic acid (PLA) monofilament with moulded cones made of Lactide/Glycolide. It was developed by scientists in the US using reconstructive and aesthetic surgical expertise.

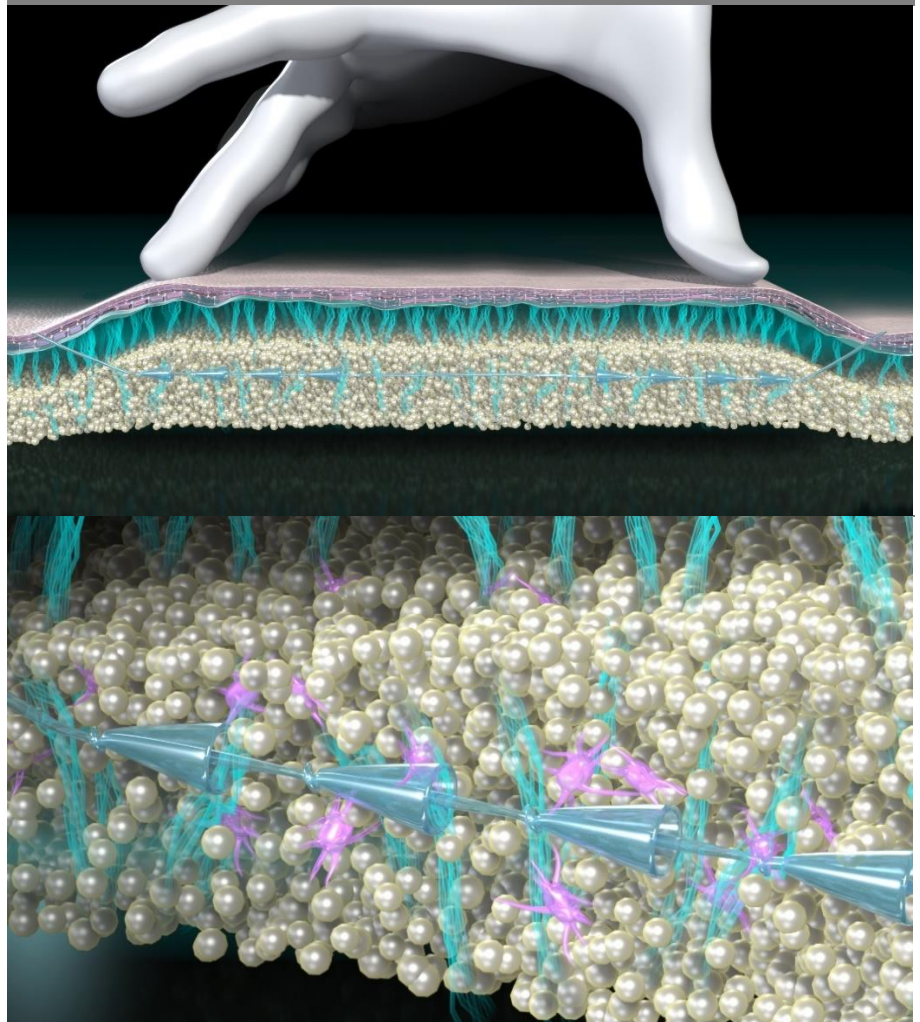
PLA is a well-known polymer that has been used for many years in a number of biomedical and pharmaceutical applications. It has a long history of use as a resorbable suture, a drug delivery system, and in surgery – in particular, in orthopaedic fixation devices such as pins, rods and screws. It is also a key material in the development of tissue engineering.

Silhouette marketing



Source: Sinclair Pharma

Silhouette



Source: Sinclair Pharma

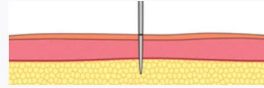
The suture acts as scaffolding under the surface of the skin to lift sagging soft tissues. The cones both hold the threads in place, and over time stimulates the body's production of collagen to replace depleted facial volume which diminishes with age.

Silhouette procedure

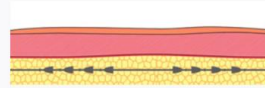
The 30-Minute Treatment

Applying Silhouette Soft takes around 30 minutes in a doctor's practice. You will thus be able to get back to your full social life with minimal recovery time.

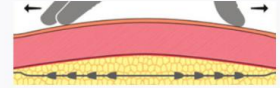
Silhouette Soft is a tailor-made treatment, so it will be adapted to your needs and preferences and can be complemented with other aesthetic treatments.



After a small local anesthetic, the doctor inserts the suture under the skin to a depth of about five millimeters.



No incision is required, as the suture is inserted using a fine needle. It is held in place with resorbable cones oriented in opposite directions (bidirectional).



Once the suture has been applied, the doctor performs slight compression of the tissue to reshape it by hand and to obtain the desired lifting effect. The non-inserted ends of the suture are cut off. One or more sutures may be applied, depending on the patient and treated area.

Source: Sinclair Pharma

Silhouette – before and after treatment



Source: Sinclair Pharma

Silhouette InstaLift® – the US brand

The only injectable aesthetic product with a lifting claim in the US market

Silhouette Soft will be branded as Silhouette InstaLift in the US and has been approved by the FDA. A key discerning feature is that Silhouette InstaLift will be the only injectable aesthetic product on the market with a lifting claim. InstaLift provides an effective solution to reverse facial sagging without surgery to provide natural looking aesthetic enhancement by repositioning existing tissues.

While wrinkles, brown spots and lost volume can be treated with current anti-ageing methods, InstaLift is the first and only minimally invasive method in the US aesthetics market for lifting sagging skin and the underlying tissue. The procedure helps to increase volume while restoring the contours of the mid-face and cheek areas gradually and naturally.

During a simple in-practice procedure, the physician lifts the deeper layers of the skin. Results are visible immediately and improve further over a three-month time span to produce a lasting lift effect. The sutures are naturally reabsorbed while stimulating collagen production to create a natural-looking and long lasting result.

Sinclair Pharma

Silhouette competitive advantages- product addresses an unmet need, the only injectable device (non-surgical) procedure to offer lifting

The principle competitive advantage of the Silhouette product range is that it addresses an unmet need – no other minimally invasive approach provides tissue lift and is one of the best non-surgical techniques to offer skin-tightening, volume repositioning and regeneration. In the US, the product is the only non-surgical technique to offer lifting.

To date over 130,000 Silhouette procedures have been performed globally. In fiscal 2015, Silhouette (ex-US where it was unavailable) reported sales of £9.3m. In the interim statement (six months to 30th June 2016) Silhouette achieved sales of £6.2m, nearly double that achieved in the first interim period. Strong sales growth was evident in the UAE, as well as Australia, Japan, South Africa and Singapore

Sales to grow in the region of 40% per annum...

Our sales forecasts assume that sales will grow in the region of 40% per annum, reflecting the growth opportunity and the benefit of its US launch as well launches in Columbia and Mexico. Sinclair anticipates receiving a multifilament/body indication for Silhouette from 2018, with subsequent launch into China in 2019. In our opinion, the launch of Silhouette onto the Chinese market is potentially the largest commercial opportunity for the group.

...launch in China, the largest opportunity, in 2019

Ellansé®

A new generation dermal filler

Ellansé is a new generation and innovative dermal filler which introduces a novel range of safe and innovative solutions for facial beauty treatments. The Ellansé range combines the benefits of immediate correction of wrinkles and folds, stimulating the generation of the body's own natural collagen.

Collagen is one of the important support structures found naturally in human skin, helping to maintain the appropriate tightness, elasticity and suppleness. Over the course of time, human skin gradually loses its natural collagen, leading to facial laxity and the formation of wrinkles and folds.

Ellansé – before and after treatment



Source: Sinclair Pharma

Ellansé is first truly unique injectable filler

Ellansé uses the body's natural response to stimulate the generation of the body's own collagen (neocollagenesis) – restoring a fresh, youthful look. It is available in four versions, Ellansé-S (1 year), Ellansé-M (2 years), Ellansé-L (3 years), and Ellansé-E (4 years), allowing customers to choose how long they would like the results to last and eliminating the need for frequent repeat treatments.

Competitive advantages

- ▶ Uniqueness as a volume restorer
- ▶ Provides immediate and long lasting results
- ▶ Virtually no degradation in volumisation

While the product remains active, the degree of volumisation is highly predictable. Therefore, the length of duration of activity can be fine-tuned from 1-4 years (SKUs – S, M, L, E). The L and E variants provide the longest duration of resorbable injectables in the industry. The product range has a strong safety profile – in 2014 the complaints ratio was 0.036% and polymer PCL has been used in CE and FDA approved medical devices for over 20 years.

In fiscal 2015, Sinclair reported sales of £4.4m for the Ellansé range of products. In the interim period (to 30th June 2016), Ellansé achieved sales of £4.2m compared with £1.7m in the six-month period to December 2016, with strong growth being derived from most markets, coupled with Korea recovering well. During 2016, launches have occurred in Hong Kong, Japan, Malaysia, Singapore, RSA, with a Mexico re-launch via new partner.

Future growth opportunities

There is increasing evidence that Ellansé is competing with long-acting hyaluronic acid (HA) fillers with consequent strong growth in both the number of users and the rate of use. The company has expanded its development programmes with studies underway to generate longevity and skin boost data.

Ellansé is not yet approved in the world's three largest aesthetics markets. US launch is expected in 2019. Furthermore, regulatory applications are being initiated in Brazil and China with launches planned for 2018 and 2019 respectively.

Growth prospects suggest that forecasts should remain under constant review

Perfectha®

A hyaluronic acid based dermal filler

Perfectha is a hyaluronic acid based dermal filler that restores volume and fullness to the skin to correct moderate to severe facial wrinkles and folds, such as nasolabial folds, cheeks and lip volume. Perfectha provides optimal results with low injection volume, is easy to inject due to its flow properties and is long lasting with slow and uniform degradation. The product's key competitive advantages are its lower viscosity and high volumising capacity.

In fiscal 2015, Perfectha was Sinclair's second largest product, with reported sales of £5.7m, but is expected to be overtaken this year by Ellansé. In the first six months, Perfectha achieved sales of £3.7m reflecting growth in Europe and recovery in Korea.

Although it is operating in a highly competitive market place, we are forecasting sales growth in the region of 20% per annum. This will be led by recovery in Korea and re-launch in Brazil, and in the medium term and by a new distribution agreement in China.

Perfectha – before and after treatment



Source: Sinclair Pharma

Sculptra®

A mature product with limited growth

Sculptra is a biocompatible and biodegradable injectable material known as poly-L-lactic acid that naturally stimulates body cells to produce their own collagen. The result gives a more youthful and natural-looking appearance.

Sculptra restores the skin's natural contours and smooths out wrinkles, creases and folds. (Traditional dermal fillers only address wrinkles, line and folds) Sculptra works differently. It replenishes lost volume by stimulating growth of inherent natural collagen to treat the underlying causes of facial ageing.

Sculptra – before and after treatment



Source: Sinclair Pharma

Sculptra is a mature product within the product range and should be regarded a legacy product. In 2015 Sculptra achieved sales of £5.6m, and in the interim period (01/01/16 to 30/06/16), sales were £3.2m. No growth is expected for this product range in the medium term.

Distribution strengthened

Sinclair sells its products to practitioners (physicians, aesthetic clinics etc.) either directly or through a distributor. The practitioners and distributors receive a portion of the end price charged to the ultimate consumer. Detailed below is the timetable for entry into selected new geographical markets for Sinclair's principle products.

| Sinclair – Geographical market entry | | | | | |
|--------------------------------------|--------------------|------|------|------|------|
| Product | Country | 2016 | 2017 | 2018 | 2019 |
| Silhouette | US (InstaLift) | ✓ | | | |
| | Mexico | ✓ | | | |
| | Iran | | ✓ | | |
| | Taiwan | | ✓ | | |
| | Argentina | | | ✓ | |
| | China | | | | |
| Ellansé | Australia/Far East | ✓ | | | |
| | Mexico | ✓* | | | |
| | Brazil | | | ✓ | |
| | Argentina | | | ✓ | |
| | US | | | | ✓ |
| | China | | | | |
| Perfectha | Mexico | ✓ | | | |
| | Brazil | ✓* | | | |
| | Argentina | | | ✓ | |
| | China | | | | ✓ |
| | Taiwan | | | | ✓ |
| Atlean | Europe | | | ✓ | |

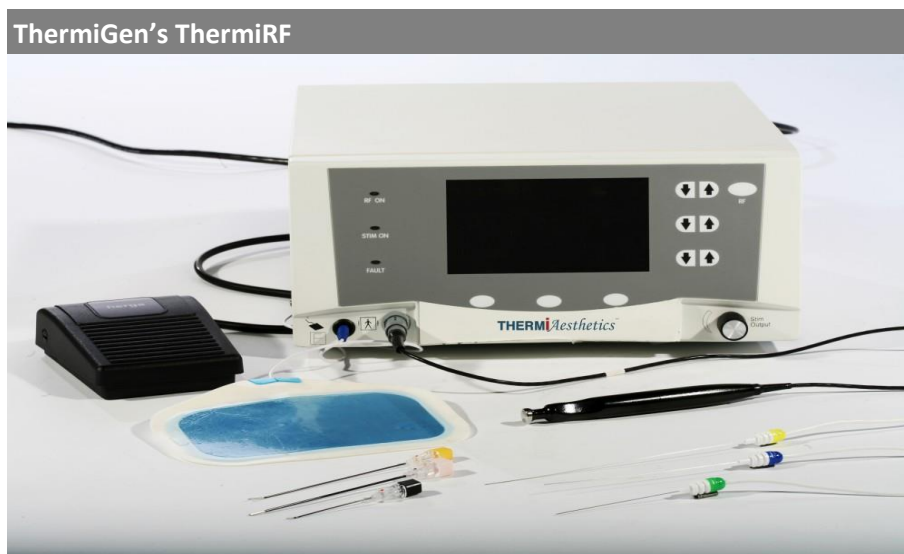
*Relaunch

Source: Sinclair Pharma

Agreement with ThermiGen

**Strategic marketing agreement
with ThermiGen announced in May
2016**

In May 2016, Sinclair announced that it had signed an exclusive four year US distribution and strategic marketing agreement with ThermiGen, an Almirall SA Company, for Silhouette InstaLift. Sinclair will now have immediate access to the single largest aesthetics market in the world via a highly successful and well established sales force.



Source: ThermiGen

ThermiGen is one of the fastest growing aesthetics companies in the US...

...making it a good partner

Physician training is key to a successful product launch...

through a widespread programme of hands-on training sessions

Sinclair has paved the way in the US...

...through pre-launch activities

ThermiGen is the world leader in minimally invasive thermistor-regulated energy solutions for aesthetics, dermatology and women's health, and one of the fastest growing aesthetics companies in the US. The ThermiRF platform enables aesthetic physicians to perform ThermiTight, a micro-invasive single treatment solution for skin laxity. The combination of ThermiTight and InstaLift would enable patients to receive a minimally invasive non-surgical alternative to the facelift. ThermiGen aims to establish Silhouette InstaLift, with a US installed base of more than 1,000 systems, as the new standard-of-care for minimally invasive face lifting by immediately offering the product to its established physician customer base.

Sinclair has initially granted ThermiGen exclusive four-year distribution rights for the US market until mid-2020. The agreement involves a material investment in the launch and marketing of Silhouette InstaLift by Sinclair. In addition, Sinclair will hold an annual option, after year three, to repatriate the rights, having compensated ThermiGen accordingly. Further terms of the agreement have not been disclosed.

Physician training is key to a successful product launch and has been conducted through a widespread programme of hands-on training sessions provided by a third-party continuous medical education (CME) provider. The product launch has been supported by a sales force of 55 backed up by both ThermiGen and Sinclair marketing teams. Sinclair will be directly involved in product marketing with Doug Abel (Sinclair US president) head of the joint InstaLift Marketing Committee.

Prior to the ThermiGen agreement, Sinclair had initiated pre-launch activities in 2015, establishing an advisory board of leading US dermatologic surgeons and plastic surgeons to provide guidance and input. InstaLift has featured at many dermatology, plastic surgery, and aesthetic conferences including the American Academy of Dermatology (AAD) and the American Society of Aesthetic Plastic Surgery (ASAPS). Through these activities, over 2,000 US physicians have learnt about InstaLift from peers and over 50 have received aesthetic education and training in broad-based programs. These initial efforts provide the ThermiGen team with a well-established group of thought-leading physicians as the foundation for their launch efforts.

ThermiGen – Optimises strategic & operational goals of Sinclair

- ▶ ThermiGen is one of the fastest growing and most dynamic players in US aesthetics market
- ▶ ThermiGen's core customer base includes a large number of high end aesthetic dermatologist and plastic surgeons, significantly overlapping with the InstaLift target audience
- ▶ Sales force is highly incentivised to sell high value treatments
- ▶ ThermiGen's marketing strategy is focused on industry leading physician training, sponsorship of independent medical education services, and partnering with customers to grow their patient base and procedure volume
- ▶ Thermi and InstaLift are not competing products – different aesthetic goals
- ▶ Proven track record of aesthetic product launches
- ▶ Close working relationship between ThermiGen & Sinclair management teams – Sinclair head of sales to work within ThermiGen organisation
- ▶ ThermiGen has a 55-strong sales team – to be boosted by a new 10 dedicated InstaLift team

Source: Sinclair Pharma

Established Brazilian affiliate...

*...to address the 2nd largest market
for injectable aesthetics*

Brazil affiliate

Sinclair made a significant strategic move recently when it established an affiliate in Brazil, the world's 2nd largest market for injectable aesthetic procedures. Importantly, Sinclair also repatriated the local rights for Silhouette Soft and Perfectha.

Key features

- ▶ Brazil is 2nd largest global aesthetic market
- ▶ Repatriation of Silhouette Soft and Perfectha
- ▶ Provides a platform for launch of Ellansé after approval – due in 2018
- ▶ Affiliate will be sales and earnings enhancing in fiscal 2016

This affiliate is important to the group. It immediately allows direct sales of Silhouette Soft, and provides a platform for the re-launch of Perfectha and the anticipated launch of Ellansé following regulatory approval – expected in 2018. This significant transaction for the group became effective on 1st July 2016 and will contribute positively to the financial performance in 2016.

Product development

Development activities continue to focus on generating line extensions and new indications for the aesthetics portfolio, as well as undertaking additional studies that are required to support new regulatory submissions in key markets.

Silhouette

The key focus for Silhouette Soft is an extension of its approved uses to non-facial areas. Specifically, to larger volumes of tissue that require re-positioning in the wider body indications, including arms, abdomen and thighs.

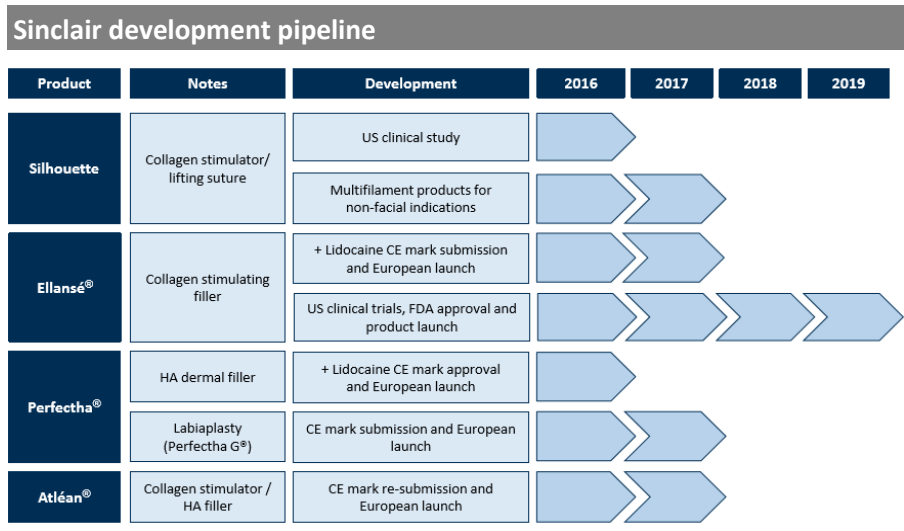
For Silhouette InstaLift, Sinclair will commence US multi-centre pivotal clinical studies in 4Q 2016, aimed at simplifying the approved insertion technique and providing additional data to support product efficacy and longevity. Data submission is planned for 2Q 2017, with an updated product label anticipated in early 2018.

Ellansé

Following the initial submission for an Investigational Drug Exemption certificate (IDE) for Ellansé in 2015, Sinclair continues to liaise with the FDA to ensure that all necessary data are provided to meet the requirements of Pre-Marketing Approval (PMA) in the US, which is expected for 2018.

Sinclair has also started a number of clinical trials across the Ellansé portfolio aimed at generating further data to demonstrate the increased longevity of action of Ellansé compared to competitor products.

Sinclair will initiate appropriate additional studies to achieve regulatory approval for Ellansé in Brazil and China, with approvals anticipated in 2018 and 2019 respectively.



Source: Sinclair Pharma

Perfectha

Regulatory review of the new Perfectha® Lidocaine range of products has been suspended temporarily while a new syringe, common to all Sinclair injectable products is brought into production. Approval is now anticipated in late 2017.

Atléan

Technology transfer activities are underway to establish the manufacturing and supply of Sinclair's collagen stimulating dermal filler, Atléan, at an EU and FDA accredited manufacturing facility. Following completion of the development work, regulatory submission is anticipated in 2017 with CE mark approval expected later in that year.

China

Apart from the development programme already mentioned in order to get Ellansé approved in China, development programmes are also being initiated to support the registration of Silhouette Soft and Perfectha in this market, with approvals anticipated in 2019.

Commercial opportunity

Injectable aesthetics market

Premium growth at around 12% per annum

Injectable aesthetics market...

...premium growth at 12% per annum

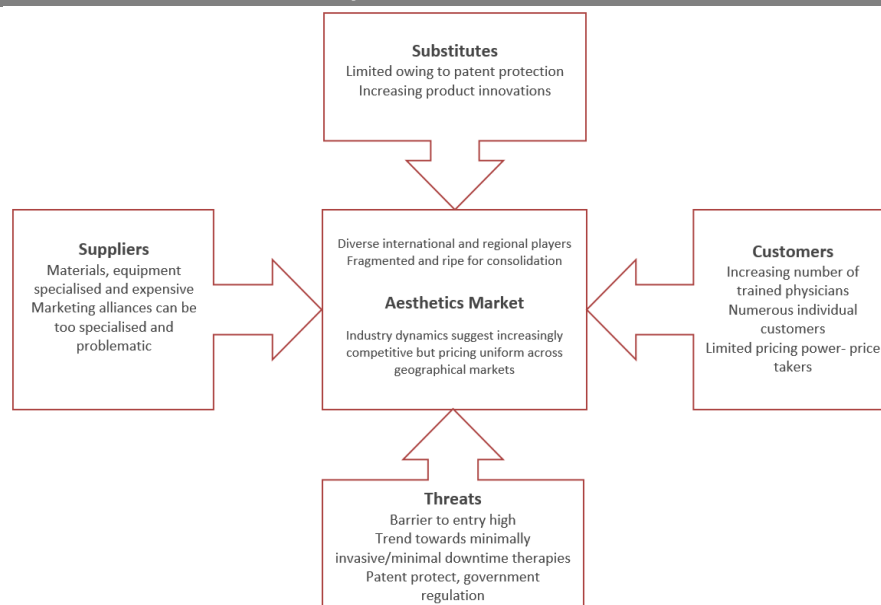
Sinclair operates in the injectable aesthetics market which according to leading commentators is the premium growth segment within medical aesthetics. This segment of the market is estimated to be around \$4.5bn, with growth at around 12% compared with the overall aesthetics market of \$11.0bn and growing at 10%.

The largest and strongest growing markets are the US, China and Brazil. The US is the largest facial injectables market worth around \$2.5bn and growing at 11%. Over two million filler procedures were undertaken in 2015 by aesthetic surgeons (16,000) which includes 6,700 plastic surgeons.

The key characteristics of this market are its resilience to economic cycles, its strong performances in the developed and European countries (currently with less than 3% market penetration), and strong growth in emerging markets where, importantly prices are very similar to those in Western economies.

Illustrated below is the Porter's Five Forces analysis for the aesthetics market. This illustrates that, whilst the market is competitive, prices are uniform across the various geographical markets, and that barriers to entry are high, but well positioned companies with a distinctive platform and service offering are likely to be successful.

Medical aesthetics market dynamics



Source: Hardman & Co Life Sciences Research

Aesthetics market to grow at close to 11% per annum...

According to a recent consultants' report by **MarketsandMarkets**, the global medical aesthetics market is currently valued at around \$10.8bn and is forecast to grow at a CAGR of 10.8% from 2015 to 2020, to attain \$12.6bn.

Driven by Asia Pacific and other emerging markets...

...especially Brazil, the fastest growing

Recent Technavio study suggests 10% growth in facial aesthetics market

Geographically, North America commanded the largest share of the global medical aesthetics market in 2015, at 49%. This was followed by Europe. Brazil is the second largest single country market for aesthetic procedures. North America will continue to dominate in the years to come, owing to its rapidly ageing and obese population, technological advancements, and an increase in the FDA approvals of aesthetic devices.

The Asia-Pacific region is poised to grow at the highest CAGR of 12.6% in the next five years. This is primarily due to growing middle class disposable income, aggressive marketing by leading US companies in this field, and an increase in awareness about aesthetics in the region.

According to **Technavio**, the global facial aesthetics market will grow at a CAGR of around 10% by 2020. The major drivers propelling the growth of the market will be the shift towards minimally invasive and non-invasive procedures – Botox and dermal fillers being the most common. These procedures have smaller incisions, less pain, reduced scarring, and lower incidences of post-surgical complications, which in turn leads to quicker recovery.

Furthermore, the market is undergoing various technological advancements in terms of products and the materials used with the development of advanced collagen-based materials such as bovine collagen and bioengineered human collagen.

The Botox segment dominates the facial aesthetics market and accounts for approximately 52% of the total market share. Being the most popular cosmetic treatment, it is gaining acceptance among the middle-class populace because of a shift in cultural thinking, high spending capacity, and increased brand popularity. With an increasing number of women considering minimally invasive procedures as a viable option.

The Americas is the leading region and accounts for just under 50% of the total market share. Much of this region's growth stems from factors such as the increasing awareness about aesthetic procedures, rising demand for the use of minimally invasive techniques, and the increase in the number of older people. In addition, the presence of skilled physicians offering facial aesthetic procedures will further enhance this market's growth potential in the coming years.

Drivers of growth

- ▶ Increased adoption of minimally invasive and non-invasive aesthetic procedures
- ▶ Ageing population
- ▶ Increasing customer awareness
- ▶ Technological advancements in energy-based devices
- ▶ Rising number of aesthetic procedures
- ▶ Increasing demand for aesthetic treatments among the male population

However, a stringent safety regulation for aesthetic procedures is a major factor restraining market growth. Growing adoption of home use aesthetic devices and increasing demand for cosmetic treatments in emerging markets are creating opportunities for growth of the medical aesthetics market.

Injectable aesthetics – sustainable premium growth

- **Injectable aesthetic procedures ~\$4.5bn global market ¹**
- **Global growth ~12%¹**
 - Strong performance in developed US and European markets
 - “Western” product prices in emerging markets
 - Resilient to economic cycle
- **Physician demand for products with attractive economics**
 - Premium for innovation with proven clinical benefits
 - Declining price environment for undifferentiated toxins and HA fillers
- **Sinclair aligned with strong market fundamentals**
 - Innovation driving ‘combination therapy’ with longer lasting products
 - Improving clinical outcomes
 - Trend towards minimally invasive/minimal downtime therapies
 - Market penetration still <3% in developed economies
- **Significant long term growth in multiple global markets**
 - Driven by rising disposable incomes and by demographics
 - Fast growing aspirational class in emerging markets



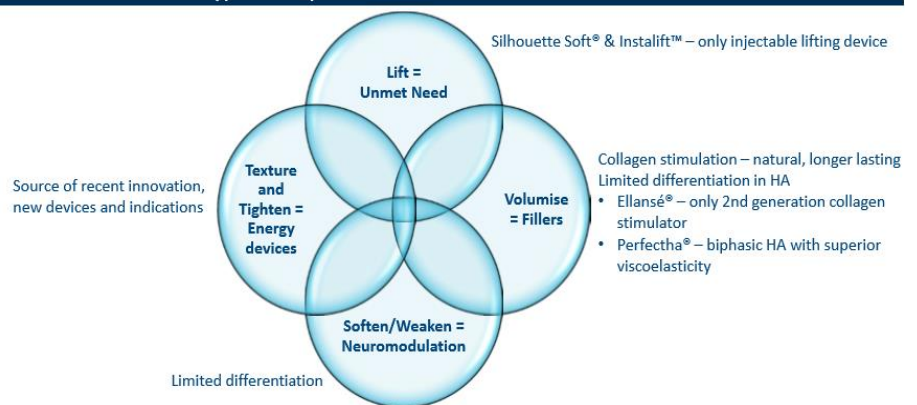
Source: Sinclair Pharma

Trends in facial aesthetics

- ▶ **Clinical outcomes** – Achieve subtle age-appropriate, natural looking, results
- ▶ **Procedures** – More effective, longer lasting, minimally invasive leading to limited downtime
- ▶ **Practises** – Require service and product differentiation to preserve margins and increase market penetration
- ▶ **Consumers** – Increasingly sophisticated as product offering expands

Trends in facial aesthetics

An affordable multi-factorial approach is required...



Source: Sinclair Pharma

Product differentiation

On the basis of products, the global medical aesthetics market is classified into three major segments – namely, aesthetic lasers and energy devices, aesthetic implants, and facial aesthetics. The facial aesthetics segment is further segmented accordingly – botulinum toxin (BOTOX), chemical peels, microdermabrasion, and dermal fillers (absorbable dermal fillers, and non-absorbable dermal fillers).

Recent ISAPS report suggests an increase of over one million cosmetic and aesthetic procedures performed in 2015

In 2015, 86% of procedures were performed on women...

...and the US accounting for 19% of all procedures...

...followed by Brazil (11%)

The International Society of Aesthetic Plastic Surgery (ISAPS) is well known to the global plastic and aesthetic surgery community. The recent release of procedural survey results shows an increase of over one million reported procedures from 2014 to 2015. We see no reason why this increasing trend should not continue.

BOTOX/Fillers


Botulinum toxin continues to lead for both men and women with a total of over 4.6 million procedures reported. Another popular injectable, Hyaluronic Acid, increased 6.5% from 2014 to 2015. Breast augmentation continues to be the most common surgical procedure among women with a 10.4% increase from 2014, while eyelid surgery is prevalent among men.

Procedures

There were more than 21 million surgical and non-surgical cosmetic procedures performed worldwide in 2015, with women accounting for more than 18 million, or 85.6% of the total. The top five procedures in 2015 were: breast augmentation, liposuction, eyelid surgery, abdominoplasty and rhinoplasty. BOTOX was ranked the most popular cosmetic procedure overall.


The country with the highest number of procedures is the United States with 1.4 million surgical and 2.6 million non-surgical procedures. Brazil reported 1.2 million surgical and 1.1 million non-surgical procedures. Rounding out the list for the most procedures are South Korea, India, Mexico, Germany, Colombia, France, and Italy. The US has the largest number of active plastic surgeons with 6,700, followed by Brazil with 5,500 and China with 2,800.

Statistics on Cosmetic Surgery



ISAPS
International Society
of Aesthetic
Plastic Surgery

**Quick Facts: Highlights of the ISAPS 2015
Statistics on Cosmetic Surgery**



- There were more than 21 million surgical and nonsurgical cosmetic procedures performed worldwide in 2015, an increase of over 1 million reported cosmetic procedures from 2014.
- Botulinum Toxin, (including BOTOX® Dysport and Xeomin) was ranked the most popular cosmetic procedure overall.
- The United States held the top spot for total number of surgical procedures performed.
- The top five countries which performed the most surgical and nonsurgical procedures were the United States, Brazil, South Korea, India and Mexico.
- 9.6 million surgical procedures were performed in 2015.
- The cosmetic surgical procedures performed most frequently were:
 - Breast Augmentation (up 10% vs. 2014)
 - Liposuction (up 2% vs. 2014)
 - Eyelid Surgery (down 11% vs. 2014)
 - Abdominoplasty (up 11% vs. 2014)
- Increases were also reported for breast lifts and ear surgery in 2015
 - Breast Lift (512,248 vs. 498, 957 in 2014)
 - Ear Surgery (252, 718 vs. 247, 518 in 2014)
- The United States accounted for 14.7%, Brazil for 12.7%, Mexico for 4.8%, South Korea for 4.6%, and India for 4.4% of the surgical procedures.
- 12.1 million nonsurgical procedures were performed in 2015 with the United States taking the lead at 2.6 million procedures.
- The nonsurgical procedures performed most often in 2015 were:
 - Botulinum Toxin (down 4% vs. 2014)
 - Hyaluronic Acid (up 7% vs. 2014)
 - Hair Removal (down 14% vs. 2014)
 - Photo Rejuvenation (new to 2015 survey)
 - Nonsurgical Fat Reduction (new to 2015 survey)
- The United States accounted for 21.8%, Brazil for 9.1%, South Korea for 5.9%, India for 4.3% and Mexico for 3.7% of the total nonsurgical procedures.
- Women had more than 18 million surgical and nonsurgical procedures, 85.6% of the total. The top five surgical procedures performed on women in 2015 were: breast augmentation, liposuction, eyelid surgery, abdominoplasty, and rhinoplasty.
- The United States accounted for 19.6%, Brazil for 12.9%, Mexico for 4%, Germany for 3.6% and France for 3.1% of the total number of breast procedures performed worldwide in 2014.
- Men had more than 3 million surgical and nonsurgical procedures, 14.4% of the total. The top five surgical procedures performed on men in 2015 were: eyelid surgery, liposuction, gynecomastia, rhinoplasty, fat grafting and ear surgery.

Media Contact:
Julie Guest, ISAPS Chief Marketing Officer
media@isaps.org, 1-844-867-3621

Source: Sinclair Pharma

Competitive landscape

Highly fragmented and competitive market

Currently, the medical aesthetics market is a diversified and competitive market with a large number of players that adopt aggressive marketing tactics. In 2015, the leading players that represent the greatest competition to Sinclair were considered to be:

- ▶ Allergan (US)
- ▶ Galderma (Switzerland) – a wholly owned subsidiary of Nestlé
- ▶ Merz Aesthetics (US)- a division of Merz Inc
- ▶ Mentor Worldwide (US) – a unit of Johnson & Johnson

Allergan

Allergan is the market leader

Allergan is the largest medical aesthetics company and has the most comprehensive set of aesthetic products. Its Total Facial Rejuvenation portfolio includes BOTOX Cosmetic (onabotulinumtoxin A) and hyaluronic acid dermal fillers such as the Juvéderm dermal filler gel family of products, which Allergan claims to be the only hyaluronic acid dermal fillers clinically proven to last for up to one year. Allergan dominates the US facial injectable market, largely due to its near monopoly of the BOTOX market.

Galderma/Nestlé

Galderma – extensive product portfolio

Galderma is a wholly owned subsidiary of Nestlé, specialising in the research, development and marketing of dermatological treatments. It has an extensive product portfolio and is present in 100 countries. Galderma is well established in R&D of scientifically-defined and medically-proven solutions for the skin, hair and nails.

Galderma's leading aesthetic brand is Dysport, botulinum toxin for temporary improvement in the look of moderate to severe frown lines between the eyebrows (glabellar lines). The recently launched Restylane Silk is specifically designed to treat the lips and lines around the mouth. Restylane Lyft is an FDA-approved filler indicated for the provision of fullness to the midface area (cheeks) and correct and smooth the nasolabial folds ("smile lines"). Sculptra Aesthetic, a long-acting dermal filler that stimulates natural collagen production, helping to increase the elasticity of the skin and smooth out deep wrinkles and folds.

Merz

Merz has a range of treatment options...

Merz Aesthetics is a specialty healthcare company that develops and commercializes treatment solutions in aesthetics, dermatology and neurosciences in the US and Canada. It has a range technologies and treatment options – devices, injectables, and skincare.

Mentor/Johnson & Johnson

...whereas Mentor (JNJ) focuses on breast and body implants

Mentor is part of JNJ and a leading supplier of medical products for the global aesthetic market. It develops, manufactures, and markets products for surgical and non-surgical medical procedures that allow patients to improve their quality of life. The company is focused on two strategic areas: breast and body aesthetics and is the only manufacturer whose breast implants are made in the US.

Limited financial data is available since many of the competitors are subsidiaries or private companies. But we understand the most competitors have sound financial resources with gross margins around 70%.

The major strategies adopted by most of the market players to achieve growth in the medical aesthetics market include new product launches; agreements, partnerships, and alliances; mergers, acquisitions, and joint ventures; and awareness and marketing campaigns.

Key competitive products

- ▶ The **Juvéderm** (Allergan) product range consists of a collection of fillers which add volume to different area of the face to lift cheeks, smooth parentheses lines, or plump the lips. This range dominates this segment of the US market.
- ▶ **Restylane** (Galderma) is used to add volume and fullness to the skin to correct moderate to severe facial wrinkles and folds, such as the lines from the nose to the corners of the mouth (nasolabial folds). It can also be used also for lip enhancement in patients over 21 years.
- ▶ The **Belotero** (Merz) range consists of advanced dermal fillers made of hyaluronic acid which provide skin integration. They can be used to smooth and fill wrinkles, as well as lip augmentation, skin rehydration and for restoring facial volume.
- ▶ **Radiesse** (Merz) is a wrinkle filler. It is injected through a small needle and placed under the skin. The filler works by adding volume over time, by stimulating the body's own natural collagen. Therefore, results are both immediate and long lasting.
- ▶ **Teosyal** (Teoxane Labs) is a range of injectable dermal fillers based on hyaluronic acid.

Detailed in the following table is the standing of the leading facial injectable players in the various segments of the market place. As can be seen there are few direct competing technologies to Sinclair's major product offerings – Silhouette and Ellansé as these are both relatively new products in the market place.

| Competitive landscape | | | | |
|--|--|---|-----------|--|
| Therapeutic area | Key targeted effects | Brands | Procedure | Limitations |
| Facelift | Tightening of skin to reduce wrinkles Skin lifting to reduce sagging | | Surgery | Invasive, expensive, complication risks |
| Toxins | Muscle relaxing to soften/reduce wrinkles | Botox (Allergan >80%) Dysport (Ipsen/Galderma) Botox (Valeant Pharma) | Injection | Lifting effect limited Drooping |
| Dermal Fillers/ Hyaluronic acid | Improve volume of face/lips Facial recontouring Lines/wrinkles reduction | Perfectha (Sinclair) Juvéderm (Allergan) Restylane (Galderma) Perlane/Emervel (Galderma) | Injection | Limited lifting Swelling if overused Shorter acting |
| Dermal Fillers | Improve volume of face/lips Facial recontouring Lines/wrinkles reduction | Radiesse (Merz) | Injection | Limited lifting, puffiness Granular texture effect Shorter acting |
| Dermal Fillers and collagen stimulation | Stimulation of collagen production Improve volume of face/lips Facial recontouring Lines/wrinkles reduction | Sculptra (Sinclair/Galderma) | Injection | Limited lifting, swelling Granular texture effect Slower onset of action |

*This list of products is not comprehensive
Source: Hardman & Co Life Sciences Research*

Financials & Investment case

Sound basis for future

Group to see sales at 30% CAGR, EBITDA breakeven in 2017 and is now debt free

40% sales guidance for 2016 reiterated

The company is changing its financial year end to 31 December to align the business with industry peers. Recent interim results for the six-month period to 30/06/2016 were broadly in line with market expectations with revenues up 125%, compared with prior six months to £17.3m. Our forecasts, based upon supplied pro-forma calendar 2015 results, reflect the latest outlook statement from group management released alongside the interim results.

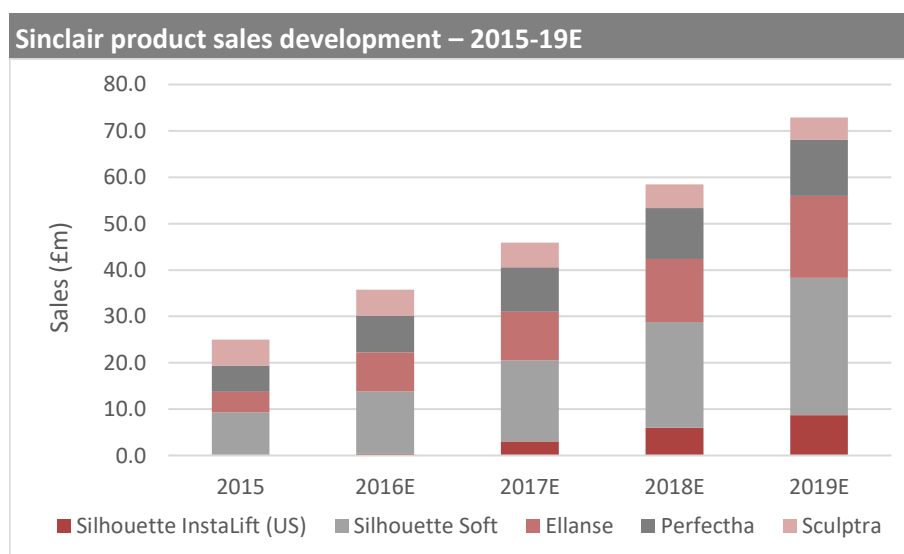
‘We are confident in our 2016 outlook and the Board maintains guidance of 40% sales growth, pre-Brazil consolidation and US Silhouette InstaLift sales.’ In addition, management has stated that Q3 2016 sales are expected to exceed £7.7m, seasonally the weakest quarter, yielding 9M revenues of at least £25m.

Furthermore, business streamlining has allowed for substantial on-going cost savings. Cost control remains central to management thinking and we are optimistic that there will be significant near and medium term operating leverage. The business is already close to break-even at the EBITDA level (pre-US investment), yet anticipated sales growth is strong with very high marginal profitability as a result of high and rising gross margins and a relatively fixed operating cost base.

We forecast sales for each of the major product lines and margin development according to estimates for cost of sales and SG&A costs. We forecast CAGR sales of over 30%, EBITDA improving from loss in 2015 to breakeven in 2017 and £19.2m in 2019 with margins at 26%. The balance sheet will remain debt free in the medium term making a capital increase unlikely.

Profit & Loss

Product sales



Source: Hardman & Co Life Sciences Research

| Product Sales | | | | | | |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year end Dec (£m) | 2015 | 2016E | 2017E | 2018E | 2019E | 4 year CAGR |
| Silhouette | | | | | | |
| InstaLift (US) | 0.0 | 0.4 | 3.0 | 6.0 | 8.7 | n.m |
| Silhouette Soft | 9.3 | 13.5 | 17.5 | 22.8 | 29.6 | +33% |
| Ellansé | 4.4 | 8.4 | 10.5 | 13.6 | 17.7 | +39% |
| Perfectha | 5.7 | 8.0 | 9.6 | 11.0 | 12.1 | +19% |
| Sculptra | 5.6 | 5.6 | 5.3 | 5.1 | 4.8 | -4% |
| Total | 25.0 | 35.8 | 45.9 | 58.4 | 72.9 | +30% |

Source: Hardman & Co Life Sciences Research

Gross margin enhancement, EBITDA breakeven in 2017

- ▶ **Forecast sales** – Underlying sales growth at around 30% for the medium term
- ▶ **Gross margin** – Currently 70.5% (as per interim results - expanding to around 74% reflecting sales of higher than average margin products – Silhouette and Ellansé)
- ▶ **SG&A** – the Company expects to benefit from annual cost savings of at least £2.0m as a result of restructuring programmes. This will offset costs associated with the launch of Silhouette InstaLift in the US with ThermiGen and creation of the Brazilian affiliate
- ▶ **D & A** – will continue at its current run rate of around £0.75m and £4.75m p.a. respectively
- ▶ **EBITDA** – currently close to breakeven is forecasted at above breakeven in 2017
- ▶ **Finance costs** – incorporated within finance costs is the discount unwind on deferred and contingent considerations. Actual finance costs are negligible reflecting the group's cash position
- ▶ **Tax** – Sinclair is not forecast to pay significant tax in the medium term reflecting the absence of profitability. A small tax credit is available for 2016 through 2019 arising from the amortisation of deferred tax liabilities linked to intangibles
- ▶ **Restructuring charge** – Sinclair expects to incur a one-off restructuring charge of £2.8m in relation to the aforementioned staff restructuring programme. The full amount will be recognised in the period ending 31 December 2016 under exceptional items
- ▶ **Exceptional items** – in 2016, we forecast exceptional items will amount to a net £4.8m. This will include the £8.5m gain associated with the successful renegotiation of the Ellansé milestone payments, the charge associated with the recently announced restructuring programme plus the £1.4m inventory write down following destocking

| Profit & Loss | | | | | |
|-----------------------------------|---------------|---------------|--------------|--------------|--------------|
| Sales | 25.00 | 35.78 | 45.88 | 58.44 | 72.90 |
| COGS | -7.80 | -10.20 | -12.39 | -15.49 | -18.95 |
| Gross profit | 17.20 | 25.58 | 33.49 | 42.95 | 53.95 |
| Gross margin | 68.8% | 71.5% | 73.0% | 73.5% | 74.0% |
| Sales & marketing | -14.70 | -20.36 | -20.56 | -21.18 | -21.82 |
| Admin | -10.40 | -11.96 | -11.00 | -11.33 | -11.67 |
| EBITDA | -7.90 | -6.74 | 1.92 | 10.44 | 20.46 |
| EBITDA margin | -32% | -19% | 4% | 18% | 28% |
| Deprec & Amortis | -8.50 | -5.50 | -5.50 | -5.50 | -5.50 |
| Licensing/Royalties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Underlying EBIT | -16.40 | -12.24 | -3.58 | 4.94 | 14.96 |
| Share based costs | -1.80 | -1.70 | -1.70 | -1.70 | -1.70 |
| Exceptional items | 0.00 | 4.80 | 0.00 | 0.00 | 0.00 |
| Statutory Operating profit | -18.20 | -9.14 | -5.28 | 3.24 | 13.26 |
| Net financials | 0.00 | -5.44 | -3.40 | -2.88 | -1.88 |
| Pre-tax profit | -16.40 | -17.68 | -6.98 | 2.06 | 13.08 |
| Reported pre-tax | -18.20 | -14.58 | -8.68 | 0.36 | 11.38 |
| Tax payable/receivable | 0.00 | 1.20 | 0.80 | 0.40 | -2.35 |
| Underlying net income | -16.40 | -16.48 | -6.18 | 2.46 | 10.73 |
| Statutory net income | -18.20 | -13.38 | -7.88 | 0.76 | 9.03 |
| Ordinary shares | | | | | |
| Period-end (m) | 496.7 | 502.1 | 502.1 | 502.1 | 502.1 |
| Weighted average (m) | 496.7 | 499.5 | 502.1 | 502.1 | 502.1 |
| Fully diluted (m) | 496.7 | 499.5 | 502.1 | 502.1 | 502.1 |
| Underlying Basic EPS (p) | -3.30 | -3.30 | -1.23 | 0.49 | 2.14 |
| Statutory Basic EPS (p) | -3.66 | -2.68 | -1.57 | 0.15 | 1.80 |
| U/I Fully-diluted EPS (p) | -3.30 | -3.30 | -1.23 | 0.49 | 2.14 |
| Stat. Fully-diluted EPS (p) | -3.66 | -2.68 | -1.57 | 0.15 | 1.80 |
| DPS (p) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Hardman & Co Life Sciences Research

Balance sheet

- ▶ The balance sheet is now reflecting the £132m proceeds from the recent sale of the non-aesthetics business. All borrowings have been eliminated through settlement of the Hayfin debt facility
- ▶ At 30th June 2016, Sinclair had net cash was £24.4m after paying the discounted Aqtis milestone payment of around €15m and Silhouette milestones of around \$30m
- ▶ Future cash/debt levels will reflect cashflow generation capabilities of group and milestone payments scheduled over the next two years. The group is not capital intensive with capex and capitalised development costs at around £2.0m per annum

| Balance sheet | | | | | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Year end Dec (£m) | 2015 | 2016E | 2017E | 2018E | 2019E |
| Shareholders' funds | 104.6 | 92.9 | 104.0 | 95.4 | 114.8 |
| Cumulated goodwill | 52.8 | 60.9 | 60.9 | 60.9 | 60.9 |
| Total equity | 157.4 | 153.9 | 165.0 | 156.3 | 175.7 |
| Share capital | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Reserves | 99.6 | 88.0 | 99.1 | 90.4 | 109.8 |
| Provisions/liabilities | 78.4 | 32.9 | 22.0 | 18.5 | 1.0 |
| Deferred tax | 20.1 | 23.2 | 24.2 | 23.8 | 23.2 |
| Long-term loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Short-term debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| less: Cash | 75.4 | 15.7 | 3.8 | 8.2 | 4.1 |
| less: Deposits | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Invested capital | 127.7 | 133.3 | 146.5 | 129.5 | 134.9 |
| Fixed assets | 1.4 | 2.7 | 4.4 | 6.8 | 9.9 |
| Intangible assets | 70.2 | 65.4 | 60.7 | 55.9 | 51.2 |
| Goodwill | 52.8 | 60.9 | 60.9 | 60.9 | 60.9 |
| Inventories | 5.8 | 8.1 | 8.9 | 9.8 | 11.8 |
| Trade debtors | 9.1 | 13.6 | 15.0 | 16.5 | 19.8 |
| Other debtors | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Tax credit/liability | -2.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade creditors | -6.9 | -10.4 | -12.5 | -15.0 | -18.0 |
| Other creditors | -8.6 | -13.0 | 3.1 | -11.4 | -6.7 |
| Debtors less creditors | -2.4 | -3.8 | 11.5 | -4.0 | 1.0 |
| Invested capital | 127.7 | 133.3 | 146.5 | 129.5 | 134.9 |
| Net cash/(debt) | 75.4 | 15.7 | 3.8 | 8.2 | 4.1 |

Source: Hardman & Co Life Sciences Research

Cashflow

- ▶ Cash outflow for H1 2016 amounted to £51.3m. Future cash outflow will reflect the milestones payments scheduled. These amount to around £40m in 2016, £10.9m in 2017 (Silhouette InstaLift and Perfecta Lidocaine), £1.9m in 2018 and £17.5m in 2019 with a further payment of £10.7m in 2020 (Silhouette InstaLift)
- ▶ Group to remain in a net cash position in medium term despite the payment of milestones and royalties
- ▶ No dividends are forecast to be paid in the medium term

| Cashflow | | | | | |
|--------------------------------|--------------|--------------|--------------|-------------|-------------|
| Year end Dec (£m) | 2015 | 2016E | 2017E | 2018E | 2019E |
| Trading profit | -16.4 | -12.2 | -3.6 | 4.9 | 15.0 |
| Depreciation | 0.5 | 0.8 | 0.8 | 0.8 | 0.8 |
| Amortisation | 8.0 | 4.8 | 4.8 | 4.8 | 4.8 |
| Working capital | 3.0 | -3.4 | -1.5 | 0.0 | -2.1 |
| Other | 0.0 | -5.2 | 0.0 | 0.0 | 0.0 |
| Company op cashflow | -4.9 | -15.3 | 0.4 | 10.5 | 18.3 |
| Net interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax paid/received | 0.0 | -0.3 | 1.0 | 0.6 | -1.0 |
| Operational cashflow | -4.9 | -15.6 | 1.4 | 11.1 | 17.3 |
| Capital expenditure | 0.0 | -2.0 | -2.5 | -3.1 | -3.9 |
| Sale of fixed assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free cashflow | -4.9 | -17.6 | -1.1 | 7.9 | 13.4 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acquisitions | 0.0 | -45.5 | -10.9 | -3.5 | -17.5 |
| Disposals | 130.5 | 3.5 | 0.0 | 0.0 | 0.0 |
| Other investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cashflow after invests. | 125.6 | -59.6 | -12.0 | 4.4 | -4.1 |
| Share repurchases | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share issues | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in net debt | 202.1 | -59.6 | -12.0 | 4.4 | -4.1 |
| Hardman FCF/share (p) | -1.0 | -3.1 | 0.3 | 2.2 | 3.5 |
| Opening net cash | -126.7 | 75.4 | 15.7 | 3.8 | 8.2 |
| Closing net cash | 75.4 | 15.7 | 3.8 | 8.2 | 4.1 |

Source: Hardman & Co Life Sciences Research

Valuation

Shares trading at an attractive discount to peer group on the EV/sales metric

Comparative valuation

One of the problems in attempting to value SPH is that there are few direct comparator companies that are quoted. We believe the best comparators are healthcare companies with similar products – Allergan and Ipsen (aesthetic toxins) and selected small and mid-cap pharma and med-tech players- Collagen.

As can be seen from the table below Sinclair is currently trading at an attractive discount to this peer group across the EV/sales metric.

| Valuation – comparables | | | | |
|-------------------------|----------|--------------------|----------|-------|
| Company | Sinclair | Collagen Solutions | Allergan | Ipsen |
| Ticker | SPH.L | COS.L | AGN | IPN |
| Currency | GBP | GBP | US\$ | Eur |
| Share price | 28.9 | 6.5 | 195 | 61.6 |
| Shares (m) | 502.1 | 179.6 | 388 | 83.3 |
| Market cap (lc m) | 145.1 | 11.7 | 75,660 | 5,131 |
| Net cash/(debt) (lc m) | 24.5 | 2.4 | -43,000 | 200 |
| EV (lc. m) | 120.6 | 9.3 | 118,660 | 4,931 |
| Sales (2015/16) | | 2.7 | 16,100 | 1,500 |
| Market cap (£m) | 145.1 | 11.7 | 63,050 | 4,618 |
| EV (£m) | 120.6 | 9.3 | 98,883 | 4,438 |
| EV/Sales (x) | 3.0 | 3.4 | 6.1 | 2.7 |
| Relative to SPH (x) | | 1.1 | 2.0 | 0.9 |

lc = local currency

Source: Hardman & Co Life Sciences Research

DCF valuation – suggests significant upside potential

Discounted cashflow

In our DCF model, all future cash flows are estimated and discounted by using an appropriate cost of capital to give their present value. The discount rate used reflects the risk of the cash flows and incorporates an estimate of the time value of money, and the risk premium. Our base case assumptions are for a 10% WACC and 2% terminal value growth rate both of which are typical values used when valuing other similarly positioned pharma and med-tech companies.

| DCF Valuation- yearly cashflows | | | | | |
|---------------------------------|-------|-------|-------|-------|----------|
| | 2016E | 2017E | 2018E | 2019E | Terminal |
| EBITDA | -6.7 | 1.9 | 10.4 | 20.5 | 115.1 |
| Tax | 1.2 | 0.8 | 0.4 | -2.3 | -20.7 |
| NOPAT | -5.5 | 2.7 | 10.8 | 18.1 | 94.4 |
| Change in working capital | -3.4 | -1.5 | 0.0 | -2.1 | -12.4 |
| Capex | -2.0 | -2.5 | -3.1 | -3.9 | 0.0 |
| Other asset changes | -45.5 | -10.9 | -3.5 | -17.5 | 0.0 |
| Free cashflow | -56.4 | -12.2 | 4.2 | -5.4 | 82.0 |
| Discount rate | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Discount factor | 1.00 | 0.91 | 0.83 | 0.75 | |
| Present value - Free CF | -56.4 | -11.0 | 3.5 | -4.1 | |
| Cumulative present value | -56.4 | -67.5 | -64.0 | -68.1 | |

Source: Hardman & Co Life Sciences Research

DCF Valuation- summary valuation

| | |
|------------------------------------|--------------|
| Valuation (£m) | |
| Present value - forecast FCF | 49.3 |
| Present value - terminal CF | 482.0 |
| Enterprise Value | 482.4 |
| Net cash(debt) | 15.7 |
| Market cap equity | 498.2 |
| Market cap equity/share (p) | 99.2 |

Source: Hardman & Co Life Sciences Research

The sensitivity table below details the sensitivity of the valuation to differing assumptions of cost of capital and terminal growth rates.

Sensitivity table

| Discount rate | Terminal Growth | | | | | | |
|---------------|-----------------|-------|-------|-------|-------|-------|-------|
| | 0% | 1% | 1% | 2% | 3% | 4% | 5% |
| 8.0% | 118.4 | 125.2 | 133.0 | 152.4 | 179.7 | 220.5 | 288.7 |
| 8.5% | 107.6 | 113.4 | 119.9 | 136.0 | 157.9 | 189.6 | 239.4 |
| 9.0% | 98.1 | 103.0 | 108.6 | 122.0 | 139.9 | 165.0 | 202.6 |
| 9.5% | 89.7 | 94.0 | 98.7 | 110.0 | 124.8 | 145.0 | 174.2 |
| 10.0% | 82.3 | 85.9 | 90.0 | 99.6 | 112.0 | 128.5 | 151.6 |
| 10.5% | 75.6 | 78.8 | 82.3 | 90.5 | 101.0 | 114.6 | 133.2 |
| 11.0% | 69.6 | 72.4 | 75.4 | 82.5 | 91.4 | 102.8 | 118.0 |
| 12.0% | 59.3 | 61.5 | 63.8 | 69.2 | 75.7 | 83.9 | 94.4 |
| 13.0% | 50.9 | 52.5 | 54.3 | 58.5 | 63.4 | 69.5 | 77.0 |
| 14.0% | 43.8 | 45.1 | 46.5 | 49.8 | 53.6 | 58.1 | 63.7 |
| 15.0% | 37.8 | 38.9 | 40.0 | 42.6 | 45.5 | 49.1 | 53.3 |

Source: Hardman & Co Life Sciences Research

Typical M&A valuation suggest valuation of 5 times sales giving a 60p valuation for Sinclair

M&A activity

M&A activity in the sector can also provide assessment of value. However, there are a few examples of published M&A activity within this space. The most relevant deals within the sector- Nestle's acquisition of L'Oreal's 50% stake in Galderma and subsequently the rights to several injectable treatments for facial wrinkles and lines from Valeant Pharmaceuticals International for \$1.4 billion in 2014, and the acquisition of Allergan by Actavis completed in 2016 (with Actavis renamed as Allergan) were transacted, we understand, on around a 5 times sales multiple.

The disposal of Sinclair's non-aesthetics products of and pipeline business in 2015 to Alliance Pharma which paid £132m for a business with c.£45m of sales (3.1x FY15 sales).

Using the five times sales multiple and based upon 2018 sales suggest a valuation of around 60p for Sinclair.

Company matters

Registration

Incorporated in the UK with company registration number: 03816616

UK Headquarters:

Whitfield Court
30-32 Whitfield Street
London
W1T 2RQ

Board of Directors

The Board of Directors has extensive background in commercial and financial sectors at senior level.

| Board of Directors | | | | |
|-------------------------|---------------|-------------|--------------|-------|
| Position | Name | Nominations | Remuneration | Audit |
| Chairman | Grahame Cook | M | M | C |
| Chief Executive Officer | Chris Spooner | | | |
| Chief Financial Officer | Alan Olby | | | |
| Non-executive director | Jeff Thompson | | | |

*M = member; C = chair
Source: Company reports*

Grahame Cook – Non-executive Chairman

Joined the Board in 2004, bringing over 18 years' experience in investment banking, advising on a wide number of mergers and acquisitions and capital market transactions in the pharmaceuticals and biotechnology sectors in the US and Europe, whilst at West LB Panmure and UBS. He also advised on private equity investments, IPOs and secondary offerings. Founder member of the LSE's TechMARK Advisory Committee. Holds an MA, double first, from Oxford University. Also, currently non-executive Chairman of MDY Healthcare Ltd, Actino Ltd and an NED at Morphogenesis Inc, Horizon Discovery Plc, Timeship Ltd and Minoan Group plc.

Chris Spooner – Chief Executive Officer:

Joined Sinclair following a career in financial services; most recently as founder and CEO of HealthCor Management UK, a dedicated healthcare hedge fund and the European division of HealthCor L.P. Prior to that, Chris Spooner enjoyed a career as the senior pharmaceuticals analyst at various investment banks covering the European healthcare sector. He holds an MA in Economics from King's College, Cambridge University and is also an NED of Pirtsemit Limited.

Alan Olby – Chief Financial Officer

Alan has served as Sinclair's Chief Financial Officer since 2009 and was previously Group Financial Controller of Xenova Group plc and KS Biomedix plc. Prior to his role at KS Biomedix plc, Alan was a Corporate Finance Manager at Deloitte having previously been an Audit Manager at Baker Tilly.

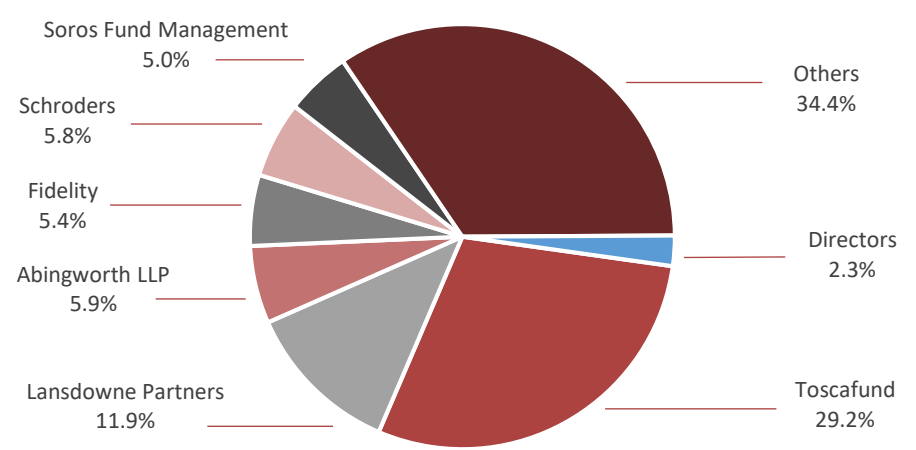
Jeff Thompson – Non-executive director

Jeff Thompson joined the Board in September 2014. Jeff has many years of experience in the US dermatology industry having served on the Board of Directors for, and as COO, of Stiefel Laboratories, Inc., and currently holds various directorships including; President/CEO/Chairman of Enaltus (dermatology, pvt) and NED of Anika Therapeutics, Inc. (NASDAQ: ANIK), a US publicly traded and Bedford, Massachusetts based biotechnology company that develops, manufactures and commercialises hyaluronic acid based products.

Shareholder information

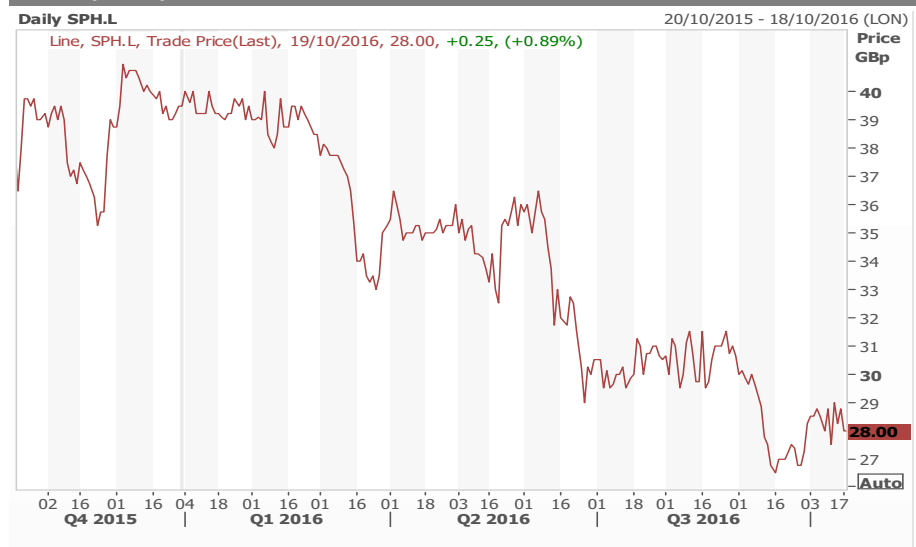
At the point of going to press, Sinclair had 502,089,508m Ordinary shares of 1p nominal value in issue. The Board of Directors holds 2.33%.

Key shareholders – 30th September 2016



Source: Company reports; RNS announcements

Share price performance



Source: Eikon Thomson Reuters

Risks/Mitigation

Sinclair out-sources many of its operations which have the potential to cause disruptions to the business, although management has appropriate levels of control in place to mitigate many of these risks.

Interruption to product supply

Sinclair uses third-party manufacturers for its products. Any problems at manufacturers' facilities could cause delays or disruptions in the supply chain and affect group sales. Management maintains a close dialogue with key suppliers and monitors inventory levels and customer demand on a regular basis.

Distribution and marketing

Sinclair uses an international network for the global distribution of its products. In some territories, marketing is also done by third parties. After Sinclair places product into the distribution channels there is no guarantee that the external partner will distribute and actively commercialise the products as desired. Management again maintains an active dialogue with distribution and marketing partners.

Product sales may be affected by adverse market conditions or other factors which including: competition and an enforced withdrawal of a product by regulators.

Regulatory

In certain territories, products might need to obtain regulatory approval before being commercialised. Healthcare costs globally are under intense pressure and there is greater awareness about health economic benefits. However, the risk for Sinclair is much less relevant because aesthetic dermatology is less regulated than the prescription drugs market and is generally privately funded.

Competition and intellectual property risk

Sinclair's products are in a competitive market. It is important that the group maintains patent and/or trademark protection and preserves certain trade secrets. Management will defend and enforce its rights against infringement and operate without infringing the proprietary or intellectual property rights of third parties. However, maintenance of patents on a global basis is expensive and these costs can be considerably higher should company be forced to defend itself in the event of patent infringement.

Key aesthetic medical terminology

Detailed below are definitions of key aesthetic medical terminology appropriate to Sinclair's business. We make reference to the Millennium Research group for the information

Treatments

A large number of cosmetic treatment alternatives are available, ranging from non-invasive to invasive procedures. While each treatment tends to have a particular focus, most treatments are effective for multiple indications and for addressing the look of facial skin. Although there are many treatments that compete with facial injectable procedures, they may not always be as suitable for the patient's needs.

Facial Lifts

A facial lift is the surgical removal of wrinkles. It is a form of invasive cosmetic surgery and generally consists of taking away excess skin, tightening the underlying tissues, and then re-draping the skin. Facial lifts are better suited for cases where loose skin is a concern rather than wrinkles. They are not suitable for treating wrinkles in the nasolabial or mouth areas. Because of its invasive nature this procedure is less attractive for patients and is not seen as a significant threat to cosmeceutical, facial injectable or light, laser, and energy treatments.

Laser Resurfacing

During laser resurfacing, pulses of laser light penetrate the skin to remove the outer layer and to heat the inner layer and stimulate collagen production. Essentially, enhanced collagen production has a healing effect that diminishes the look of fine wrinkles on the face. Laser resurfacing offers short recovery times and minimal treatment discomfort, which is attractive to patients. Physicians can also easily control laser resurfacing devices for the greatest precision in sensitive areas

Products

Facial injectables are categorised into two product types—Botulinum toxin (BOTOX) and dermal fillers. Both substances are injected into fascial skin for treatment of wrinkles, skin rejuvenation, and shaping/facial contouring. Procedures are easily administered and generally considered effective, making them attractive relative to undergoing invasive cosmetic surgery.

Botulinum toxin

BOTOX is a potent and often fatal neurotoxin that is produced by the bacterium *clostridium botulinum*. However, in a dilute form it causes loss of nerve sensitivity and has several uses, including cosmetic applications and therapeutic treatments. For example, BOTOX can be used to treat muscle spasms by inhibiting the release of the neurotransmitter acetylcholine, which triggers muscle contraction. This inhibitory action is beneficial for cosmetic use because the constant activation of facial muscles is the primary factor leading to forehead wrinkles. BOTOX takes 3 to 7 days following treatment before effects are observed, and the ensuing denervation can last for up to 4 months. Complications include muscle atrophy, inflammation, blepharoptosis, nausea, and erythema at the injection site and excessive use can lead to clinical non-responsiveness, where targeted areas have become desensitised. These side effects are rare and are most often associated with its therapeutic uses.

Dermal fillers

Dermal fillers can be segmented by material. Although most fillers are composed of a naturally created sugar in the body—HA—a select number of other fillers have more variety in terms material composition; however, they are generally composed of inorganic particles or polymers

Hyaluronic acid fillers

HA is a natural sugar found in cells that adds volume to the skin by attracting and binding water. As the skin ages its concentration of HA decreases, which leads to the formation of wrinkles and folds. HA dermal fillers aim to restore volume, fill facial lines and contours, and enhance elasticity. Effects are not permanent; aesthetic results degrade over time, requiring repeat treatments every 4 to 6 months but can last for up to 12 months before additional treatments are required.

Glossary

| | |
|-------|--|
| AAD | American Academy of Dermatology |
| ASAPS | American Society of Aesthetic Plastic Surgery |
| BOTOX | Botulinum toxin |
| CAGR | Compound annual growth rate |
| DCF | Discounted cashflow |
| FDA | The US Food & Drug Administration |
| HA | Hyaluronic acid |
| IDE | Investigational Drug Exemption (certificate) |
| ISAPS | International Society of Aesthetic Plastic Surgery |
| PLA | Polylactic acid |
| PLGA | Glycolide/L-Lactide |
| PMA | Pre-Marketing Approval |
| SKU | Stock keeping unit |
| WACC | Weighted average cost of capital |

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(Disclaimer Version 2 – Effective from August 2015)

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