Transformational Agreement for Key US Market

May 2016

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Summary – material progress

- **Transformational US distribution agreement** with Thermi for Silhouette InstaLift™ delivers immediate access through 65 sales reps to the world's largest aesthetics market
  - Compliments Thermi's existing minimally invasive aesthetics portfolio
  - Established US installed base of more than 1,000 Thermi systems

- **Creation of Brazilian affiliate** to sell Silhouette Soft® is immediately earnings enhancing and provides a platform for future product launches in this top five global aesthetic market

- **Current trading remains strong**;
  - Jan-Mar 2016 sales £8.9 million (compared to £7.7 million in six months to 31 Dec 2015)
  - Sinclair continues to expect 40% revenue growth in calendar 2016, over calendar 2015

- Strategic review completed and end of offer period

- Change of year end to 31 December

Transition to high growth aesthetics

Evolution to a fast growth, dedicated and international aesthetics company

October 2012
Western Europe distribution agreement for Sculptra®

January 2014
Acquisition of Perfectha® worldwide rights

January 2014
Acquisition of Atléan® Worldwide rights, ex-US

March 2014
Acquisition of Ellansé® worldwide rights

May 2014
Acquisition of Silhouette worldwide rights

December 2015
Disposal of non-aesthetics business for £132m to create a pure play aesthetics business

May 2016
Announcement of US distribution agreement for Silhouette Instalift™ with Thermi

- Following the disposal of its non-aesthetics business in Dec-15, Sinclair is a dedicated aesthetics company with a strengthened balance sheet
- The aesthetics market is a rapid growth 100% cash pay B2B business
- High gross margin portfolio with sustainable premium growth potential
- Growth centred around existing products, geographic expansion and line extensions. Transformational near-term US opportunity for Silhouette Instalift™, following announcement of US distribution and strategic marketing agreement with ThermiGen LLC, an Almirall company, and medium-term growth opportunities in China, LATAM, MENA
- Direct sales in top four European markets and in Brazil from July 2016. Strong distributor relationships in key growth markets

Strategy & Operations

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Silhouette Instalift™ distribution agreement

ThermiGen agreement optimises the strategic and operational goals of Sinclair in the US

- *Strategically*
  - Board and advisors concluded that shareholder value creation would be maximised by launching InstaLift™ with a quality partner
  - Commercial approach for US to be re-evaluated at time of FDA approval of Ellansé®(anticipated in 2019)
  - As a result, Sinclair has structured the Thermi relationship to establish a de-risked launch strategy and provide two future options:
    - To remain partnered with a highly entrepreneurial aesthetic industry leader, where strategies and management philosophies are aligned; or
    - To establish a direct US presence for both InstaLift and Ellansé® which would have a critical mass of differentiated aesthetic products, a material revenue stream, and the capability to successfully launch Ellansé®
  - The Thermi deal is structured such that:
    - Sinclair has an annual option to repatriate InstaLift™ rights from end of 2018 in return for an undisclosed consideration
    - In addition, Sinclair has agreed a material co-investment in the launch and marketing costs
    - Sinclair's significant involvement in the marketing and launch of InstaLift builds organisational capability for any future US direct operation
    - Thermi's base case budget and targets for the launch is aligned with Sinclair's view on the scope for InstaLift™, and builds on the demonstrable success of the pre-launch activities

Silhouette Instalift™ distribution agreement

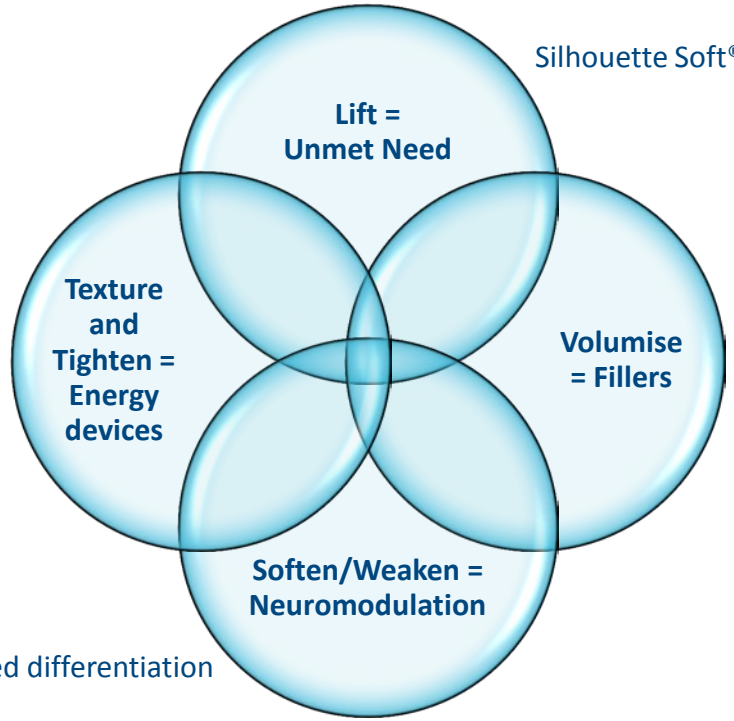
ThermiGen agreement optimises the strategic and operational goals of Sinclair in the US

- *Operationally*
  - Thermi is one of the fastest growth and most dynamic players in the US aesthetics market
  - Thermi's core customer base includes a large number of high end aesthetic dermatologists and plastic surgeons, significantly overlapping with the InstaLift™ target audience
  - Thermi sales force highly incentivised to sell high value treatments
  - Thermi marketing strategy is focused on industry leading physician training, sponsorship of independent medical education services, and partnering with existing customers to actively grow their patient base and procedure volume
  - Thermi and InstaLift™ are non-competing products, achieving different aesthetic goals
    - Ability to achieve maximum aesthetic results
    - Potential to market Instalift™ as a standalone treatment and in combination with Thermi procedures
  - Thermi management team has proven track record of aesthetic product and company launches
  - Close relationship between Thermi and Sinclair management teams enables creation of joint marketing committee and Sinclair US head of sales to work within Thermi organisation and hold lead responsibility for InstaLift™
    - Rapid response to market opportunities and challenges
    - Allows Thermi to directly benefit from Sinclair's global Silhouette experience
    - Continues to build Sinclair's US capability
  - Thermi's 55 strong sales force to be supplemented by a new 10 person dedicated InstaLift™ team

Trends in facial aesthetics

- Clinical outcomes: achieve subtle, age-appropriate, natural looking results
- Procedures more effective, longer lasting, minimally invasive = limited downtime
- Practices require service and product differentiation to preserve margins and increase market penetration
- Consumers increasingly sophisticated as product offering expands

An affordable multi-factorial approach is required…



Silhouette Soft® & Instalift™ – only injectable lifting device

Source of recent innovation, new devices and indications

Collagen stimulation – natural, longer lasting
Limited differentiation in HA

- Ellansé® – only 2nd generation collagen stimulator
- Perfectha® – biphasic HA with superior viscoelasticity

Limited differentiation

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Silhouette Soft®/Silhouette Instalift™

- **USA, InstaLift™:**
- Intensive period of US pre-launch activity. Revenues commenced in May 2016, Full launch June/July 2016
  - Thermi appointed exclusive US Distributor, provides immediate product support from a 55 + 10 person sales forces and immediate access to approximately 1,000 US aesthetic customers
  - Active pre-launch efforts built on high profile advisory board consisting of leading Plastic Surgeons and Aesthetic Dermatologists
  - Significant key meeting and symposium presence during 2016 YTD, including Orlando, South Beach, AAD, Nashville, ASAPS, and multiple regional meetings
  - Widespread media commentary and growing physician and patient enquiries
  - Over 75 accounts initiated in pre-launch window beginning in April without a sales force presence
  - Thermi/Sinclair partnership and full sales team support multiplies US activity level and provides national reach
- **Rest of World, Soft®**
- Revenues of £9.3m in 2015
- Strong in-market growth rate of 64% (48% excluding newly launched Brazil) in the six months to December 15, 66% growth for European affiliates
  - Recently launched in South Korea. Mexico approval received, launch in mid 2016, Hong Kong launch mid 2016
- Repatriation of Brazilian rights effective from July 2016

Before & after

Neck procedure

Mid-face procedure

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Ellansé® - first truly unique injectable filler in a decade

- **Revenues of £4.4m in 2015**
  - In-market growth rate of 100% in the six months to December 2015
  - European affiliates 92% in-market growth
  - Very strong growth across multiple regions
  - South Korea stock issue expected to be fully resolved by mid 2016
- **Multiple launches scheduled for 2016**
  - Australia, Japan, Malaysia, Singapore, RSA
  - Mexico re-launch via new partner
- **Company re-evaluating peak sales potential**
  - Increasing evidence that Ellansé is competing with long-acting HA fillers
  - Strong growth in both number of users and rate of use during period
- **Expanded development programmes**
  - Studies underway to generate longevity and skin boost data
  - US pre-IDE ongoing. Launch expected in 2019
  - Studies to be initiated in Brazil/China planned for 2018 /2019 launches

Before & after

Perfectha®

- **Revenues of £5.7m in 2015**
  - In-market growth flat in six months to December 15 (-1%) due to issues in the three biggest markets
  - Reported growth reduced in:
    - South Korea (£nil vs £1.2 million in prior year) due to planned de-stocking and contractual issues
    - Brazil due to distributor termination in preparation for new Sinclair affiliate arrangements
    - Russia due to FX and weak aesthetics market
  - Ex-South Korea, Brazil, Russia in-market growth strong (+32%). Notably strong in European affiliates and MENA
- **2016 outlook *much* improved with recovery expected in Korea and Brazil**
  - New distributor contract signed in South Korea. MPOs for 2016 ahead of sales run-rate pre de-stocking, with order bias towards H2 2016
  - Brazil sales recommenced in Q1 2016; Mexico launch expected mid 2016
- **Medium term growth**
  - China rights recovered from South Korea partner. New distribution agreement alongside Silhouette Soft® and Ellansé® for expected 2019 launch
  - Perfectha® Lidocaine European approval anticipated for launch in H1 2017

Mid-term growth supported by strong pipeline

Product	Notes	Development	2016	2017	2018	2019
Silhouette	Collagen stimulator/ lifting suture	US clinical study				
		Multifilament products for non-facial indications				
Ellansé®	Collagen stimulating filler	+ Lidocaine CE mark submission and European launch				
		US clinical trials, FDA approval and product launch				
Perfectha®	HA dermal filler	+ Lidocaine CE mark approval and European launch				
	Labiaplasty (Perfectha G®)	CE mark submission and European launch				
Atléan®	Collagen stimulator / HA filler	CE mark re-submission and European launch				

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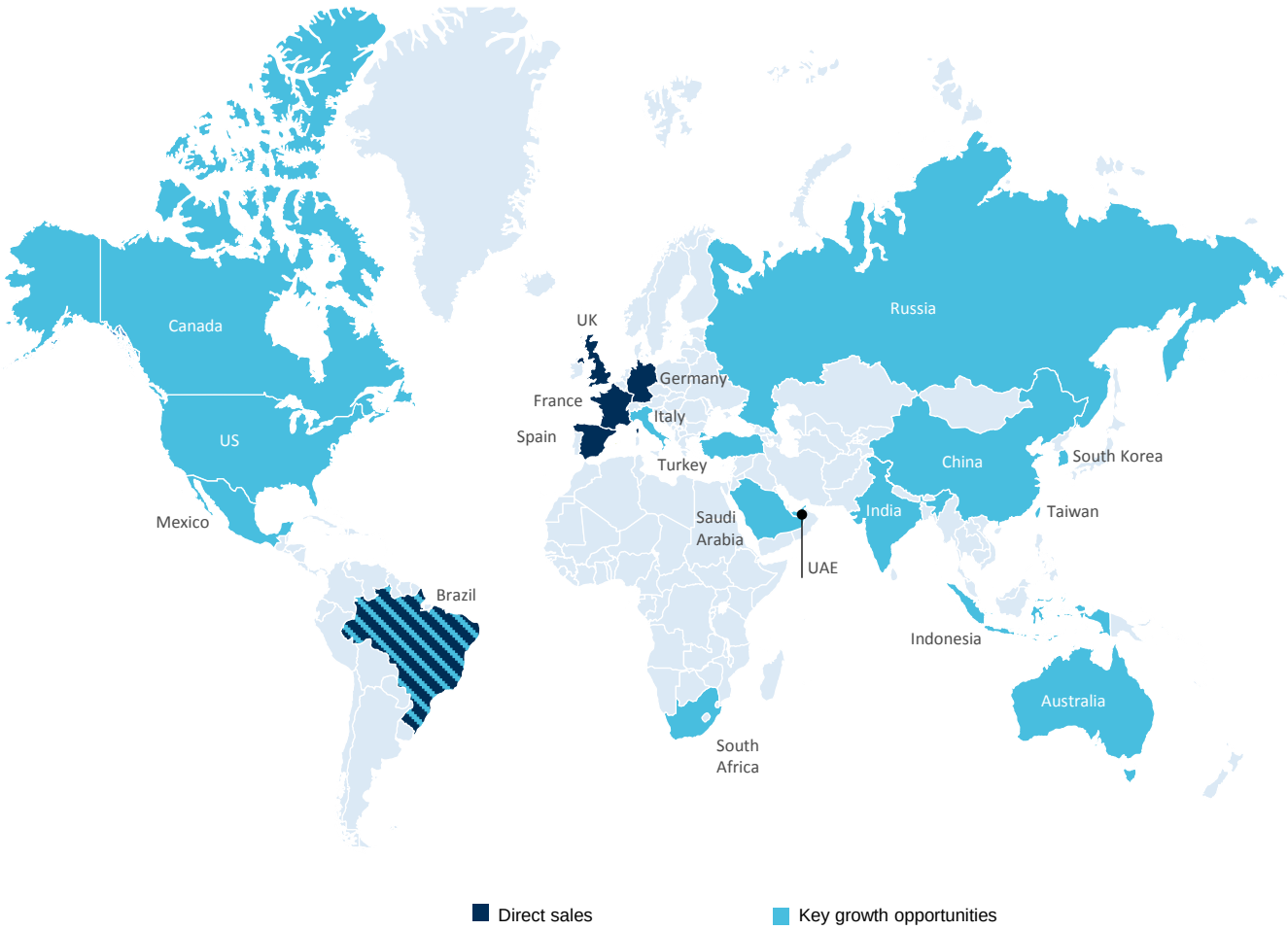
Key territories



- Direct in UK, France, Germany, Spain
- Silhouette Instalift® launched in the US in May 2016 via distribution agreement with Thermi
- Direct Brazilian presence from July 2016
- China expected to be a major growth driver from 2019
- Leveraging European branding and presence for export markets, especially APAC and the Middle East

Outlook

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Outlook

- **Sinclair expects 40% revenue growth for 2016, pre US and Brazil contribution**
  - 31% in-market growth in H2 2015 expected to accelerate through calendar year 2016 as Ellansé® growth beats expectations, and Korea and Brazil headwinds resolved
  - Q1 2016 revenues reached £8.9m. Greater than the £7.7m in H2 2015 and on-track for 2016 guidance
  - Brazil and US expected to contribute c.£1m of sales in 2016

- **Silhouette Instalift™ distribution agreement with ThermiGen, Almirall's US aesthetics subsidiary**
  - Silhouette Instalift™ to be launched immediately through Thermi's 55 + 10 rep sales forces
  - Sinclair to invest material sum in launch and marketing
  - 4-year agreement with buy back option in year 3

- **Company financially stronger and vastly simplified following non-aesthetics disposal**
  - £45m net cash at 31 March 2016 following payment of Silhouette sales milestones (c.£13m) and early settlement of AQTIS milestones (£12m)

Appendix

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Pro-forma calendar 2015 Aesthetics P&L

£'m	2015
Silhouette	9.3
Ellanse	4.4
Perfectha	5.7
Sculptra/New-Fill	5.6
Revenue	**25.0**
Gross profit	**17.2**
Selling, marketing and distribution	(14.7)
Administrative expenses	(10.4)
EBITDA	**(7.9)**

- Unaudited pro-forma calendar year 2015 P&L for aesthetics only business, excluding all non-aesthetics business disposed to Alliance Pharma in December 2015
- Gross margin - 69%
- Sales and marketing costs reflect existing direct infrastructure in EU and international partner support costs, excludes US pre-launch activities for Instalift™ and direct presence in Brazil