



**Collagen Solutions Plc
(the "Company" or the "Group")**

4 December 2018

Half Yearly Report
Interim Results for the six months ended 30 September 2018
Delivering on our growth strategy

Collagen Solutions plc (AIM: COS), the developer and manufacturer of biomaterials and regenerative medicines for the enhancement and extension of human life, announces results for the six months ended 30 September 2018.

Operational Highlights

- Nine new customer contracts secured (H1 2017: eight) and began supply to sixteen new customers (H1 2017: eight)
- New distribution agreements for ChondroMimetic® in Europe and Asia.
- Two new distribution partners in China
- New Zealand restructuring and manufacturing consolidation into Glasgow substantially completed
- Proprietary products on track to deliver against plans. ChondroMimetic® CE Mark final data submission to be completed this month
- New Tissue business unit established, tissue product line extended and four new tissue customers secured (included within the sixteen new customers referred to above)
- Delivered on key development projects with our customers accounting for 50% of our revenue in H1 2018 (H1 2017: 8%)

Financial Highlights

- Group revenue and other income grew 13% to £2.10m (H1 2017: £1.86m); adjusted for the previously disclosed expiration of a contract with a Korean customer the balance of our business grew at 55%
- Gross margin 73% (H1 2017: 64%)
- LBITDA of £0.66m (H1 2017: £0.96m or £1.23m once adjusted for separately identifiable items - see Note 4 in accounts)
- Pre-tax loss of £1.06m (H1 2017: £1.38m or £1.64m once adjusted for separately identifiable items - see Note 4 in accounts)
- Cash and cash equivalents of £2.56m (31 March 2018: £5.02m)
- Cash used in operations £0.67m (H1 2017: £1.54m)
- Full settlement of earn-outs on acquisition of £0.56m for Collagen Solutions NZ Limited and Collagen Solutions LLC
- Post period end, variation of the Bond Subscription Agreement with Norgine Ventures providing for a six-month principal repayment holiday

Jamal Rushdy, CEO of Collagen Solutions, commented: *"We remain on track to meet our key initiatives for the year including achieving our commercial execution plans and financial performance objectives in line with market expectations. Commercialisation of our proprietary products remains a key focus. Our planned rolling submission of data to support our goal of obtaining the CE Mark for ChondroMimetic® this financial year continues and we have successfully concluded agreements with*

new European and Asian distributors. Discussions continue with several more with the aim of completing these ahead of the limited user release planned to follow the ChondroMimetic® CE Mark.

“Financially, we are performing well. The variation of the Bond Subscription Agreement with Norgine Ventures will allow us greater flexibility to exploit growth opportunities for future years.

“Operationally, our New Zealand restructuring initiative is delivering the expected synergies and benefits and the New Zealand team has delivered four new customers in the first half. Finally, we will continue to deliver more visibility and metrics to our investors relating to the value and progress within our core business.”

Enquiries:

Collagen Solutions Plc

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Chairman's Statement

I am pleased to present Collagen Solutions' interim results for the six-month period ended 30 September 2018. During the period, we saw the Group returning to growth as we diversified our customer base, growing both the volume and more importantly the value of customer acquisitions year-on-year. We continue to make strong progress towards commercialisation of our proprietary products that will create additional value in the coming years. This continues the momentum for the Group in striving to be the industry's first choice for regenerative biomaterials.

Overview

During this six-month period, revenue (including other income) grew 13% when compared to the prior period. The nine new customers who we signed up in the first half of this year come at an average value significantly increased on the prior year, reflecting our ability to acquire larger and higher value customers. Adjusted for the previously disclosed expiration of a contract with a Korean customer the balance of our business grew at 55%.

Operationally we are on track to deliver against key milestones and crucially our aims of commercialising our proprietary products and expanding into new geographic regions are all the closer with the signing of new distribution partners for ChondroMimetic® and two new partners in China.

We previously announced our participation in two Horizon 2020 grant-funded research programmes related to cell-based tissue regeneration techniques and a collagen-based drug delivery system for the treatment of Parkinson's' disease and funding of approximately £1 million was granted from the European Union to support these projects.

Results

The Group's results for the six months ended 30 September 2018 are set out in the Consolidated Statement of Comprehensive Income. Revenue (including other income) for the first six months was £2.10m (H1 2017: £1.86m). Administrative expenses including research and development costs were £1.70m (H1 2017: £1.94m or £1.68m once adjusted for separately identifiable items of £0.26m (see Note 4 in the accounts) reflecting an increase in our commercial investment in the period offset by cost savings in various areas and in particular cost reduction from the restructuring of our operations in New Zealand. Selling and marketing expenses were £0.49m (H1 2017: £0.48m). LBITDA for the first six months was £0.66m (H1 2017: £0.96m and adjusted for separately identifiable items £1.23m). Diluted loss per share was (0.32p) (H1 2017: (0.42p)).

Net cash used in operations during the period was £0.67m (H1 2017: £1.54m). The Group's cash balance at 30 September 2018 was £2.56m (31 March 2018: £5.02m). Cash consumption during the period included the final payments of the deferred considerations on the Southern Lights Biomaterials and US acquisition totalling £0.56m. There was no draw down of debt during the period (Year to 31 March 2017: £1.00m) and we concluded an arrangement to delay capital repayments on the Bond facility with Norgine on 31st October 2018. This arrangement will help provide funding should any major customer opportunities present themselves during the back end of the year.

Board and Management

In the first six months we are benefiting from the new appointments of Lou Ruggiero, CBO, and Tom Hyland, COO, to the Board. Lou is driving the increased success in commercialisation that we had hoped for and Tom is focused on delivering the expected synergies from consolidation of our manufacturing efforts into Glasgow.

Outlook

The underlying business trend is positive and we are on track to deliver against our key objectives this year: Financial performance, Proprietary Products, Commercial Execution, Operational Execution (Tissue) and Investor Relations.

David E Evans
Chairman

3 December 2018

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to report substantial progress in the first six months of this year in our financial performance, core business growth, proprietary product pipeline, and other key initiatives. Financial performance was driven by 13% growth in income and efficiency gains realised from our restructuring earlier in the year. Our core business leading indicators include a record high number of new customer agreements, and an increase in development revenue to 50% of our mix. Our proprietary products programmes continue to advance, including preparations for launching ChondroMimetic® shortly following receipt of the CE Mark anticipated this financial year, subject to external regulatory review process timing.

Revenue and Core Business Growth

Revenue and other income for the first six months was £2.10 million, including £1.95 million in revenue and £0.15 million in other income. This represents 13% growth over the prior year comparable period and is notable in that if adjusted for the loss of sales from expiration of a key South Korean customer contract, revenue growth was 55%. Notably, we achieved nine new customer agreements (vs. eight in the prior year comparable period), which is a record high since we began tracking this metric in the six-month period ending September 2016.

Revenue from North America grew by £0.67 million to £1.45 million, an increase of 86%. This significant growth is due to new customer agreements and commercial focus in this critical region. While Asia Pacific declined by 71% to £0.18 million due to the aforementioned contract expiration, the underlying commercial activities in this region are promising with three new customer contracts and four new customers in Asia Pacific including two new channel partners in China. The EMEA region had sales of £0.31 million, slightly down (2%) on prior year although up on H2 2018 by 15%, and we remain positive with respect to the pipeline of new customer business and commercial management in this region.

Proprietary products

We are progressing to plan in preparing for the launch of our ChondroMimetic® implant for the repair of cartilage defects primarily in the knee. In February of this year, we announced the successful results of an eight-year clinical study demonstrating high quality regeneration of cartilage tissue and sustained clinical benefits. We will have submitted what we believe to be our final data and documentation to our notified body by the end of this month and have successfully completed a quality systems audit related to the submission in support of obtaining the CE-mark, anticipated to occur by 31 March 2019.

Commercially, we have signed up new distribution partners in Europe and Asia, this on top of the South Korean partnership with Insung Medical Co. Ltd announced in December of last year. Once we receive the CE Mark, we are planning for the first-in-man cases at a single centre, followed by a controlled launch and training programme in the various initial countries.

While ChondroMimetic® is our primary focus, we also have made progress with our other proprietary product programmes. We completed comprehensive pre-clinical testing for our bone graft substitute family for use in spine, trauma, and extremities procedures. Results from these trials proved encouraging and we are in active discussions with potential distribution partners for this product. Our wound healing programme is also in progress and we are expecting pre-clinical results later this financial year.

Continued Innovation

The Company continues to participate in various research programmes including our two Horizon 2020 grants; the Development of Biomaterial-based Delivery Systems for Parkinson's disease (BrainMatTrain) and Multisystem Cell Therapy for Improvement of Urinary Continence (MUSIC). Together these grants total approximately €1 million in funding through 2021.

Restructuring Initiative and New Tissue Business Unit

In March of this year, we announced a proposed restructuring of our New Zealand operations to focus that team on tissue opportunities and deliver cost savings related to duplicative collagen production operations. We have substantially completed the transition of collagen production operations to our Glasgow facility and realised an approximate annual saving of £0.20m.

In addition, with the New Zealand team now fully focused on growing our tissue business, we have diversified our offering to include multiple types of tissues including pericardium, dermis, bone, and other materials and also expanded the offering to include porcine tissues in addition to bovine. While the customer acquisition process is often lengthy due to abattoir and process qualification, we have already acquired four new customers with this diversified offering and are optimistic for additional business once several qualification processes are completed early next financial year.

In summary, we are pleased with our financial and operational progress from last year and are on track with all the initiatives we set to achieve during this financial year, including achieving our financial results and preparing for a successful launch of, ChondroMimetic®. I would also like to thank our employees, Board, and investors for their continued support on our journey to be the industry's first choice in regenerative biomaterials.

Jamal Rushdy
Chief Executive Officer

3 December 2018

Collagen Solutions Plc
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2018

	Notes	Unaudited six months ended 30 September 2018 £	Unaudited six months ended 30 September 2017 £	Audited year ended 31 March 2018 £
REVENUE		1,948,319	1,725,605	3,504,624
Cost of sales		(525,812)	(628,744)	(1,039,401)
Gross profit		1,422,507	1,096,861	2,465,223
Share-based compensation		(42,300)	(30,000)	(68,011)
Administrative expenses (excluding separately identifiable items)		(1,699,885)	(1,944,461)	(3,412,092)
Separately identifiable items	4	-	264,532	(81,402)
Total Administrative expenses		(1,699,885)	(1,679,929)	(3,493,494)
Selling and marketing costs (excluding separately identifiable items)		(491,324)	(482,926)	(897,308)
Separately identifiable items	4	-	-	(41,046)
Total Selling and Marketing costs		(491,324)	(482,926)	(938,354)
Other income		147,336	133,059	327,213
LOSS BEFORE INTEREST TAX				
DEPRECIATION AND AMORTISATION		(663,666)	(962,935)	(1,707,423)
Amortisation and depreciation		(238,981)	(233,905)	(526,946)
Finance income		9,468	2,412	18,244
Finance expense		(167,481)	(185,280)	(402,814)
LOSS BEFORE TAXATION		(1,060,660)	(1,379,708)	(2,618,939)
Taxation		12,917	12,972	27,376
LOSS FOR THE PERIOD		(1,047,743)	(1,366,736)	(2,591,563)
Attributable to:				
Owners of the parent		(1,047,743)	(1,349,920)	(2,569,474)
Non-controlling interest		-	(16,816)	(22,089)
		(1,047,743)	(1,366,736)	(2,591,563)
Currency translation difference		107,922	(520,647)	(876,014)
Other comprehensive income/(loss)		107,922	(520,647)	(876,014)
TOTAL COMPREHENSIVE (LOSS)/GAIN FOR THE PERIOD		(939,821)	(1,887,383)	(3,467,577)
Attributable to:				
Owners of the parent		(939,821)	(1,867,610)	(3,442,209)
Non-controlling interest		-	(19,773)	(25,368)
		(939,821)	(1,887,383)	(3,467,577)
Basic and diluted loss per share – pence attributed to owners of the parent	3	(0.32p)	(0.42p)	(0.79p)

Collagen Solutions Plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2018

		Unaudited 30 September 2018	Unaudited 30 September 2017	Audited 31 March 2018
ASSETS	Notes	£	£	£
Non-current assets				
Intangible assets		14,731,836	14,160,038	14,332,892
Property, plant and equipment		1,120,527	1,231,726	1,228,530
		<u>15,852,363</u>	<u>15,391,764</u>	<u>15,561,422</u>
Current assets				
Inventories		477,039	318,552	324,904
Trade and other receivables		760,877	946,187	1,085,783
Cash and cash equivalents		2,556,502	6,739,105	5,022,314
		<u>3,794,418</u>	<u>8,003,844</u>	<u>6,433,001</u>
Total assets		<u>19,646,781</u>	<u>23,395,608</u>	<u>21,994,423</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent company				
Share capital	5	3,290,166	3,290,166	3,290,166
Share premium		14,869,909	14,869,909	14,869,909
Share-based payment reserve		248,120	167,809	205,820
Shares to be issued reserve		106,581	106,581	106,581
Merger reserve		4,531,798	4,531,798	4,531,798
Translation reserve		783,821	1,021,986	675,899
Retained deficit		(7,845,705)	(5,641,239)	(6,797,962)
		<u>15,984,690</u>	<u>18,347,010</u>	<u>16,882,211</u>
Equity attributable to non-equity holders of the parent company		<u>15,984,690</u>	<u>18,347,010</u>	<u>16,882,211</u>
Non-controlling interest reserve		-	77,384	-
Total equity		<u>15,984,690</u>	<u>18,424,394</u>	<u>16,882,211</u>
Non-current liabilities				
Deferred tax		177,569	207,174	192,509
Provision for other liabilities and charges		132,696	-	151,753
Borrowings	6	1,329,481	2,468,327	1,914,114
		<u>1,639,746</u>	<u>2,675,501</u>	<u>2,258,376</u>
Current liabilities				
Trade and other payables		761,783	899,933	802,394
Provision for other liabilities and charges		105,551	949,152	1,041,520
Borrowings	6	1,155,011	446,628	1,009,922
		<u>2,022,345</u>	<u>2,295,713</u>	<u>2,853,836</u>
Total liabilities		<u>3,662,091</u>	<u>4,971,214</u>	<u>5,112,212</u>
Total liabilities and equity		<u>19,646,781</u>	<u>23,395,608</u>	<u>21,994,423</u>

Collagen Solutions Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Share Capital	Share Premium Account	Share-Based Payment Reserve	Shares to be issued Reserve	Merger Reserve	Translation Reserve	Retained Deficit	Total	Non-Controlling Interest	Total Equity
	£	£	£	£	£	£	£	£	£	£
As at 1 April 2017	3,287,991	14,851,092	137,809	131,934	4,531,798	1,539,676	(4,291,319)	20,188,981	97,157	20,286,138
Issue of shares on acquisition of assets	2,175	23,178	-	(25,353)	-	-	-	-	-	-
Share issue costs	-	(4,361)	-	-	-	-	-	(4,361)	-	(4,361)
Total transactions with owners in their capacity as owners	2,175	18,817	-	(25,353)	-	-	-	(4,361)	-	(4,361)
Share Based Compensation	-	-	30,000	-	-	-	-	30,000	-	30,000
Loss for period	-	-	-	-	-	-	(1,349,920)	(1,349,920)	(16,816)	(1,366,736)
Currency translation difference	-	-	-	-	-	(517,690)	-	(517,690)	(2,957)	(520,647)
Loss and total comprehensive income for period	-	-	-	-	-	(517,690)	(1,349,920)	(1,867,610)	(19,773)	(1,887,383)
As at 30 September 2017	3,290,166	14,869,909	167,809	106,581	4,531,798	1,021,986	(5,641,239)	18,347,010	77,384	18,424,394
Share-based compensation	-	-	38,011	-	-	-	-	38,011	-	38,011
Non-controlling interest transfer of shares to Company	-	-	-	-	-	8,958	62,831	71,789	(71,789)	-
Loss for the period	-	-	-	-	-	-	(1,219,554)	(1,219,554)	(5,273)	(1,224,827)
Currency translation difference	-	-	-	-	-	(355,045)	-	(355,045)	(322)	(355,367)
Loss and total comprehensive loss for the period	-	-	-	-	-	(355,045)	(1,219,554)	(1,574,599)	(5,595)	(1,580,194)
At 31 March 2018	3,290,166	14,869,909	205,820	106,581	4,531,798	675,899	(6,797,962)	16,882,211	-	16,882,211
Share-based compensation	-	-	42,300	-	-	-	-	42,300	-	42,300
Loss for the period	-	-	-	-	-	-	(1,047,743)	(1,047,743)	-	(1,047,743)
Currency translation difference	-	-	-	-	-	107,922	-	107,922	-	107,922
Loss and total comprehensive loss for the period	-	-	-	-	-	107,922	(1,047,743)	(939,821)	-	(939,821)
At 30 September 2018	3,290,166	14,869,909	248,120	106,581	4,531,798	783,821	(7,845,705)	15,984,690	-	15,984,690

Collagen Solutions Plc
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Unaudited six months ended 30 September 2018 £	Unaudited six months ended 30 September 2017 £	Audited year ended 31 March 2018 £
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation	(1,060,660)	(1,379,708)	(2,618,939)
Share based compensation	42,300	30,000	68,011
Depreciation	135,505	116,880	290,242
Amortisation	103,476	117,025	236,704
Other income	(145,944)	-	-
(Decrease)/increase in contingent consideration	-	(392,477)	(793,285)
Finance expense	167,481	185,280	402,814
Finance income	(9,468)	(2,412)	(18,244)
Loss on sale of property, plant and equipment	-	-	2,360
Increase in inventories	(150,135)	(9,169)	(19,213)
Decrease/(increase) in trade and other receivables	273,297	(102,282)	(267,157)
Increase/(decrease) in trade and other payables	109,750	(102,790)	(168,747)
(Decrease)/increase in provisions	(132,241)	-	631,066
CASH USED IN OPERATIONS	(666,639)	(1,539,653)	(2,254,388)
Interest paid	(143,684)	(119,793)	(272,606)
Taxation received/(paid)	53,586	(118,617)	(118,249)
Net cash used in operations	(756,737)	(1,778,063)	(2,645,243)
INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	(280,010)	(203,629)	(422,397)
Payments to acquire licensed IP, patents and intangibles	(413,471)	(176,661)	(796,420)
Interest received	9,468	2,412	18,244
Settlement of deferred consideration	(562,207)	(1,049,902)	(1,049,901)
Net cash used in investing activities	(1,246,220)	(1,427,780)	(2,250,474)
FINANCING ACTIVITIES			
Repayment of related party loan	(43,022)	(15,145)	(29,862)
Net proceeds on issue of ordinary shares	-	(4,361)	(4,361)
Repayment of bonds	(420,319)	-	-
Net proceeds from bond issue	-	1,000,000	1,000,000
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(463,341)	980,494	965,777
Net decrease in cash and cash equivalents	(2,466,298)	(2,225,349)	(3,929,940)
Effect of foreign exchange rates on the balance of cash held in foreign currencies	486	(13,696)	(25,896)
Net decrease in cash and cash equivalents	(2,465,812)	(2,239,045)	(3,955,836)
Cash and cash equivalents at the beginning of the financial period	5,022,314	8,978,150	8,978,150
Cash and cash equivalents at the end of the financial period	2,556,502	6,739,105	5,022,314

Collagen Solutions Plc

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited interim statement results for the six-month period ending 30 September 2018 were approved by the Board of Directors on 3 December 2018. The financial information contained in the interim report does not constitute statutory accounts within the meaning of section 434 (3) of the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the year ended 31 March 2018, upon which the auditors issued an unqualified opinion and did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006. The audited statutory accounts for the period ended 31 March 2018 have been lodged with the Registrar of Companies.

While the financial information included in this interim report has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards, as adopted by the European Union (EU) (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS.

The Company is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The consolidated financial information of Collagen Solutions plc is presented in pounds sterling (£), which is also the functional currency of the Group.

2. SEGMENTAL REPORTING

Revenue information by geographical location:

	Unaudited six months ended 30 September 2018	Unaudited six months ended 30 September 2017	Audited year ended 31 March 2018
	£	£	£
Europe, Middle East & Africa	314,892	321,850	595,201
North America	1,453,694	780,586	1,525,913
Asia	179,733	623,169	1,383,510
	<u>1,948,319</u>	<u>1,725,605</u>	<u>3,504,624</u>

3. LOSS PER SHARE

The calculation of basic loss per ordinary share for the six months ended 30 September 2018 is based on losses of £1,047,743 and on 324,516,552 ordinary shares being the weighted average number of shares in issue during the period. The calculation of basic loss per ordinary share for the six months ended 30 September 2017 is based on losses of £1,366,736 and on 324,322,845 ordinary shares being the weighted average number of shares in issue during the period. The calculation of basic loss per ordinary share for the period ended 31 March 2018 is based on losses of £2,591,563 and on 324,419,433 ordinary shares being the weighted average number of shares in issue during the period.

The loss for the period and the weighted average number of ordinary shares for calculating the diluted loss per share for the six months ended 30 September 2018, the six months ended 30 September 2017 and the year ended 31 March 2018 are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per share and would therefore not be dilutive under the terms of International Accounting Standard ("IAS") No 33.

4. SEPARATELY IDENTIFIABLE ITEMS

Separately identifiable items in the six months ended 30 September 2017 of £264,532 relate to the release of deferred contingent consideration provisions on reassessment of the earn-outs payable for the acquisition of Collagen Solutions LLC and Collagen Solutions NZ Limited. This release totaled £353,557. This has been offset by £89,025 of relocation and reorganisation costs due to the consolidation of the US R&D facility in San Jose to the commercial HQ in Minneapolis during the period.

Separately identifiable items in the year ended 31 March 2018 of £81,402 within administration expenses related to the release of deferred contingent consideration provisions on reassessment of the earn-out payable for the acquisitions of Collagen Solutions LLC and Collagen Solutions NZ Limited totaling £738,466. This has been offset by a £819,868 of restructuring costs related to the reorganisation of the New Zealand operations announced in March 2018 and the planned transfer of most production processes to the Glasgow site and also the reorganisation of R&D operations, including the relocation of the US facility from San Jose to Minnesota in late 2017. Separately identifiable items of £41,046 within selling and marketing costs for the year ended 31 March 2018 related to restructuring costs for the reorganisation of commercial operations including the relocation of the US facility from San Jose to Minnesota in late 2017.

5. SHARE CAPITAL

The following table details the warrants and share options granted over ordinary shares of the Company at 30 September 2018.

Grant Date	Number	Warrant/option Price (pence)	Date from which exercisable	Expiry Date
29 March 2013	4,050,000	10	29 March 2013	28 March 2023
24 November 2014	1,000,000	7.75	1 January 2017	23 November 2024
1 April 2015	500,000	9.625	1 April 2018	31 March 2025
15 December 2015	3,300,000	8.888	15 December 2018	14 December 2025
14 July 2016	2,700,000	8.125	14 July 2016	13 July 2026
15 February 2017	500,000	5.63	26 October 2019	14 February 2027
7 March 2017	500,000	5.75	7 March 2020	6 March 2027
31 March 2017	5,075,283	5.911	31 March 2017	30 March 2027
12 July 2017	3,900,000	5.25	12 July 2020	11 July 2027
23 January 2018	388,349	7.88	23 January 2018	30 July 2020
5 March 2018	200,000	3.38	15 November 2017	4 March 2028
20 March 2018	100,000	3.63	20 March 2018	19 March 2021
5 April 2018	666,666	2.7	3 January 2019	4 April 2028
5 April 2018	666,667	2.7	3 January 2020	4 April 2028
5 April 2018	666,667	2.7	3 January 2021	4 April 2028
3 May 2018	666,666	3.65	16 April 2019	2 May 2028
3 May 2018	666,667	3.65	16 April 2020	2 May 2028
3 May 2018	666,667	3.65	16 April 2021	2 May 2028
19 September 2018	1,500,000	3.7	19 September 2021	18 September 2028
19 September 2018	50,000	3.7	19 September 2018	18 September 2028
Total	27,763,632			

On 3rd September 2018 the Group announced the equalisation of the performance conditions of certain outstanding share options in the Group issued to the senior management team. The performance conditions required for these options to vest has been adjusted to the attainment of a target closing share mid-price of 10p and the achievement of sustainable positive cash flows from operations (sustained for a period of at least six consecutive monthly periods), bringing them in line with the performance conditions attached to those options granted to the senior management team since July 2017.

6. BORROWINGS

On the 31 October 2018 a deed of variation was agreed with Norgine Ventures Fund I SCA SICAR related to Tranche A and B of the Company's Bond borrowings. The variation gives a principal repayment holiday of six months from 31st October 2018 to 31st March 2019 with the principal repayments being instead made via a balloon payment at

the redemption of the Bonds on 30 September 2020 for Tranche A and 31 January 2021 for Tranche B. Prior to this agreement, the Company remained in compliance with all payment schedules and had repaid a total of £0.42million in principal against the total £3 million drawn. This change in the terms of repayment reduces the current amount owing for these Bonds at 30 September 2018 from £1,155,011 to £591,927.

7. INTERIM RESULTS

These results were approved by the Board of Directors on 3 December 2018. Copies of the interim report are available to the public from the Group's website, www.collagensolutions.com. If you would like to receive a hard copy of the interim report please contact the Collagen Solutions Plc offices on +44 (0)141 648 9100 to request a copy.