

# BioSpecifics Technologies Corp. Symbol: BSTC

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# Disclaimer

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This presentation is neither a recommendation to buy or to sell.

It is presented only to illustrate how to evaluate a stock, particularly a small cap stock.

My mention of any research sources is not a recommendation.

Neither I nor my investment club own this stock.

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# Business Summary

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BSTC is a bio-pharmaceutical company that has developed injectable collagenase clostridium histolyticum (CCH) for 12 clinical indications to date.

- BSTC generates revenue primarily from license agreement with Endo International plc
- BSTC maintains intellectual property in CCH
- BSTC manages development of new indications not licensed
  - Endo may opt in to other dermal indications

# Collagen & Scar Tissue—reason for BSTC

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Collagen is the major component of connective tissue which supports, connects, or separates other tissue.

- The body responds to injury or certain diseases by forming scar tissue.
- The major component of scar tissue is collagen.
- Scar tissue is typically denser & less elastic than normal tissue.
- Scar tissue can adverse cause medical conditions.

# What is Collagenase (CCH)?

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Collagenase is an enzyme that breaks down collagen.

The body making its own CCH is an essential biological mechanism.

The CCH used by BSTC has a broad specificity toward all types.

BSTC's CCH is much more efficient than the body's.

# Endo International plc

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In the US injectable CCH is approved and marketed under the trademark XIAFLEX. For the treatment of Dupuytren's contracture(DC) and Peyronie's disease (PD)

- Japan—DC
- Europe (Xiapex)—DC & PD
- Canada---DC & PC
- Australia---DC & PD

# Exploratory Clinical Trials









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BSTC evaluating for uterine fibroids and other conditions

Endo agreement to develop for:

- Dupuytren's nodules,
- Frozen shoulder,
- Cellulite,
- Lateral hip fat,
- Plantar fibromatosis,
- Human and canine lipomas
- and other potential aesthetic indications

# Trials: where they are

| Indication                                                                                                     | Preclinical | Phase 1 | Phase 2 | Phase 3 | Marketed |
|----------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|----------|
| <b>Approved Indications</b>                                                                                    |             |         |         |         |          |
| Dupuytren's Contracture  endo | →           |         |         |         |          |
| Pevronie's Disease  endo      | →           |         |         |         |          |
| <b>Additional CCH Indications</b>                                                                              |             |         |         |         |          |
| Cellulite  endo               | →           |         |         |         |          |
| Adhesive Capsulitis  endo     | →           |         |         |         |          |
| Human Lipoma  endo            | →           |         |         |         |          |
| Canine Lipoma  endo           | →           |         |         |         |          |
| Lateral Hip Fat  endo       | →           |         |         |         |          |
| Plantar Fibromatosis  endo  | →           |         |         |         |          |
| <b>BioSpecifics Managed CCH Indications</b>                                                                    |             |         |         |         |          |
| Uterine Fibroids                                                                                               | →           |         |         |         |          |

Source: Endo International plc



# Intellectual Property

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## **Dupuytren's Contracture**

Biologic Exclusivity until 2022

Drug product composition patent until 2028

## ▪ **Peyronie's Disease**

Orphan Drug protection in U.S. until 2020

Drug product composition patent until 2028

## ▪ **Uterine Fibroids**

Method of use patent until 2034

## ▪ **Patents and Patent Applications**

Owned, co-owned or controlled by BioSpecifics for injectable collagenase to treat Dupuytren's contracture, Peyronie's disease, removal of adipose tissue and frozen shoulder syndrome and others

Royalties through 2028

# Endo partnerships

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Endo----Swedish Orphan Biovitrium AB>>>>in 71 European and African countries

----Actelion Pharmaceuticals, Ltd>>>>Canada and Australia

----Asahi Kasei Pharma Corp>>>>Japan

# Strengths of BSTC

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Concentrates on one product.

Every new indication furthers diversification.

Steady license revenue (13%) from base indications, DC and PD.

Affiliate (Endo) develops new uses.

BSTC manages development of treatment for uterine fibroids.

BSTC can initiate new potential indications not licensed to Endo.

# Weaknesses of BSTC

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Concentrates on one product

Small company—5 employees,

Small Board—6 plus 2 Insiders

- Governance--4 independent, 5 “old” (over 69), 2 from founding family,

Seems to be covered by SEC Smaller Reporting Company regulation.

# Opportunities of BSTC

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“Aesthetic” indications always in demand.

Continued strong demand for Viagra which seems to have increased incidence of Peyronie’s.

Excess collagen causes many medical conditions so points to continued expansion of indications where CCH can be used.

# Threats to BSTC

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Recession hits “aesthetic” treatments.

Patent expiration.

Elevated operating expenses.

Now on to the SSG for BSTC>>>>>>