Laying the groundwork for the future

2015 Annual Report
BioBridge Global builds on a foundation of progress

For BioBridge Global (BBG), 2015 was a year of transition and growth as we settled into the role of a multifaceted organization focused on the future of health care in regenerative medicine, blood resource management and biologic testing. Our greatest strengths are the diverse yet complementary services we offer under one roof.

This year brought increased operational collaboration between subsidiaries to leverage those unique advantages to meet our mission and vision: To help save and enhance lives through the healing power of human cells and to be a global leader in human cellular services.

A major step was establishment of an organization-wide sales and marketing department tasked with promoting what BBG subsidiaries offer as a comprehensive portfolio of products and services. The position of executive vice president of Sales and Marketing was created to enable cross-selling, provide enterprise sales support and enhance customer service.

Also in 2015, BBG continued to build and strengthen research alliances. As grateful stewards of generously donated blood, tissue, umbilical cord blood and stem cells, we carefully choose the organizations to which we provide components for research. Of note were expansion of a relationship in which GenCure provides select cord blood units and bioreactor services for stem cell isolation, expansion and eventual marketing and sale. BBG also established a new placenta tissue collection program at a Texas hospital. The biomaterial from those donations is brought to our Applied Regenerative Medicine Lab for clinical use and research, eventually helping to broaden our tissue product offerings and reach more patients.

In our journey to world-class status as a health-care partner and employer, BioBridge Global turned its focus in 2015 to improving our employee experience. One initiative included implementation of an employee engagement committee, which allows team members to contribute their voices to our organization’s mission and goals. Additionally, BBG engaged the Great Place To Work® Institute for a second year to help gather employee feedback for workplace improvements. We continue to make strides toward recruiting and retaining top talent and recognizing the hard work and dedication of all our team members.

As we solidify new and updated processes and solutions, BioBridge Global will continue to make progress in the new field of regenerative medicine while continuing to support the community through our contributions to global public safety. Our hope is to look back on 2015 as a year during which we laid a sturdy foundation for the future of our business with efforts that will allow us to continue our mission to save lives in South Texas and worldwide.

Financials

Revenue By Source

- Client Testing ................................ 67.40%
- Blood Processing .......................... 24.60%
- Tissue & Cord Blood Processing .... 5.50%
- Other Revenues .......................... 2.50%

100.00%

Expenses

- Testing ..................................... 47.50%
- Wages ..................................... 22.50%
- Purchased Services & Other ...... 16.20%
- Supplies .................................. 5.70%
- Benefits ................................. 5.00%
- Depreciation ............................. 2.40%
- Interest Exp ............................. 0.70%

100.00%
Each year, BioBridge Global employees give back to the community that gives so much of itself to our organization. Whether going out of their way to ensure the comfort of our donors or dedicating their personal time to help children have a memorable camp experience, our team members contribute to the framework of our society.

Team members forge ties in the communities we serve

1 South Texas Blood & Tissue Center (STBTC) team members make donors comfortable on one of the new buses.

2 Members of the GenCure tissue center mark Donate Life Month with a tree-planting in San Antonio to honor tissue donors.

3 The STBTC team who drew the blood of Dr. Akinniyi Emmanuel Fadipe of Nigeria, an Ebola survivor, gathers around him. Fadipe traveled to Texas to have his blood drawn for research.

4 BioBridge Global employees participate in the Corporate Cup, an annual event that celebrates employee wellness and helps raise donations for local nonprofits, including STBTC and the San Antonio Food Bank.

5 Employees gather for the Light the Night Walk in downtown San Antonio to raise funds for the Leukemia & Lymphoma Society.

6 David James Trujillo (left), a marrow transplant recipient, helps BioBridge Global employees, including GenCure’s Jon Hudson, kick off Camp Discovery involvement with a pep rally. Camp Discovery provides a camping experience – fishing, swimming, hiking – for children facing cancer.
The South Texas Blood & Tissue Center has specialized in collecting and providing lifesaving blood and blood components to hospitals and patients to the South Texas region and beyond since 1974. We meet that commitment through our generous donors, who help save lives every day by giving of themselves.

In what was a challenging year for blood centers across the nation, the South Texas Blood & Tissue Center (STBTC) accomplished an outstanding feat: Even within this competitive environment, we maintained all our customers to whom we provide products and services in 2015 as well as assisted new ones. Thanks to our loyal donors, we continue to provide safe blood and components to those hospital customers.

In addition, STBTC engaged in a strategic program to help better identify and communicate to our customers – including donors and hospitals – how we meet their needs and are a vital part of the community.

The assessment has resulted in improvements in service to our donors as well as our hospital customers, ensuring availability of components and on-time deliveries for hospitals.

STBTC will continue building on the groundwork laid in 2015 for improved customer service, expanding our service area for blood collection and supplying hospitals with lifesaving blood components for their patients.

### IN ADDITION IN 2015, STBTC:

- Supported nearly 300,000 transfusions, providing components to hospitals, surgical centers and clinics
- Maximized the number of components from every generous donation by increasing recovery of three products per whole blood donation received within six hours
- Purchased two new specialized buses for platelet collections as well as refurbished several buses in our fleet
- Began the first phase of a new electronic donor questionnaire (EDQ) to make the process of booking appointments to donate even easier for our donors
- Engaged new customers to support our ability to help, such as helicopter air medical services; three new helicopter services now order blood from STBTC
- Renegotiated a number of large vendor contracts that are on track to save the organization $7 million in seven years
- All STBTC sites were audited by the FDA and had no critical findings.

**TOP:** STBTC continues to serve hospitals and clinics that need blood components for their patients, despite a competitive environment. **ABOVE:** Donors can expect clean and safe donation experiences improved by an STBTC assessment.

<table>
<thead>
<tr>
<th>Month</th>
<th>3 components recovered per whole blood donations</th>
<th>Average % of 3 components</th>
<th>60 % goal</th>
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<tr>
<td>Jan</td>
<td>59.61%</td>
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<tr>
<td>Average</td>
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**2015: 3 components recovered per whole blood donations**

**Average % of 3 components**

**60 % goal**
QualTex Laboratories provides infectious disease screening for blood, plasma and other human cells, tissues and cellular- and tissue-based products (HCT/Ps). We also perform reference testing and clinical research for patients, donors and biological products and test millions of samples each year for global clients.

QualTex expanded our footprint in the whole blood industry while remaining a first-to-market force in assay development.

QualTex capitalized on opportunities throughout the year to establish more meaningful business metrics and customer reporting. Steps included comprehensive staff training and usage of data to better forecast sample volume and tracking.

Additionally, to help align testing quality and reporting, several QualTex clients reviewed their own processes, starting a dialogue that QualTex will use to provide the best customer service possible.

ALSO IN 2015:

- QualTex added new whole blood customers, increasing testing by 25 percent
- Overhauled the resubmit process and implemented a dedicated team to streamline the workflow, increasing the accuracy and timeliness for testing resolution
- Finalized design of assay for Hepatitis E in our in-house Research and Development department
- Began development of production pool assays for large pharmaceutical companies
- Successfully completed 24 regulatory and customer audits in San Antonio and Atlanta and achieved new certification for Australia

QualTex plans to continue expanding our human cells, tissue and cellular- and tissue-based products (HCT/Ps) and immunohematology reference lab (IRL) operations to meet customer demand as well as tapping into an expected growth of the world source plasma market.

QualTex also is working closely with BioBridge Global’s IT department to develop customized reports to provide increased transparency of client needs and expectations and to help us deliver invaluable and all-inclusive service.
GenCure focuses on regenerative medicine and uses the power of generously donated human cells and tissue to enhance lives and enable clinical advancements. GenCure offers services in cellular therapy, tissue recovery and products, and cord blood collection.

Additionally in 2015:

▶ Cellular therapy restarted a PBSC research program, sending 32 locally collected products for research
▶ The cord blood center sent 48 units for transplant worldwide and 108 units for research
▶ The tissue center entered the DBM (demineralized bone) market with demineralized particulate, cancellous sponges, dental particulate and flexible cortical product
▶ Cellular therapy set records for both recruitment and PBSC collections. The center registered 19,644 new members in the Be The Match Registry®. The center also had the most matched donors in the program’s history, collecting 85 products for patient transplants worldwide
▶ Due to highly effective process improvements and the Allograft Resources acquisition, the tissue center logged several records, including a 95 percent increase in recovered donors; a 92 percent increase in processed donors; and production of 5,800 products for clinical use

In the coming year, GenCure will be developing and marketing new products to help patients live more fulfilling lives. Research support and collaboration will continue to be a priority. In order to drive product development, we will forge new collaborations and strengthen existing ones.

We integrated the activities and capabilities of tissue services; marrow donor services; cellular therapy programs; and cord blood collection and storage during 2015 to maximize our recruitment efforts and reach more clinicians with our products and services.

In one of the year’s most significant milestones, GenCure tissue services greatly expanded its service area with the acquisition of Allograft Resources from the University of Texas Health Science Center at San Antonio’s University Transplant Center. GenCure assumed operations for tissue donor recovery services, education, community outreach and bereavement support in an area that stretches from San Antonio to the Rio Grande Valley and Laredo. As a result, GenCure’s access to recovered tissue has doubled, which translates into more transplantable grafts for patients in San Antonio and the region.
The Blood & Tissue Center Foundation seeks to raise community awareness and develop financial and other resources for the vital work of the BioBridge Global subsidiaries: the South Texas Blood & Tissue Center, GenCure and QualTex.

In 2015, the Foundation continued implementation of its strategic plan, revising board member responsibilities and proposing a restructure of Foundation Executive Committees. Such process improvements help keep the Foundation on the path toward supporting the life-enhancing work of our business units.

A successful Red and White Ball in October meant the Foundation could continue to ensure the availability of the latest technology to help serve patients in need. The Foundation’s signature event raised nearly $300,000, which funded the purchase of two Terumo BCT Quantum systems for the GenCure stem cell expansion laboratory. The systems multiply the number of stem cells available for therapeutic-level doses, thus making them more readily available for lifesaving transplants.

The Ruskin C. Norman Founders’ Circle, in-memoriam and honorary contributions continued to fund awareness of the GenCure cord blood program and the Texas Cord Blood Bank, in which mothers generously donate their babies’ cord blood after healthy births for use as transplants or in research.

Foundation members also attended the annual speaker series, advancing their knowledge of BioBridge Global programs to better communicate to the community the importance of our work. Topics included the GenCure Tissue Center; South Texas Blood & Tissue Center’s participation in the Global Blood Fund; the World Stem Cell Summit; and the latest information on Alzheimer’s.

Also in 2015, Foundation members raised funds to bring a young marrow transplant recipient and donor together, a symbol of why community members generously share their time, talents and resources to make the efforts of the Foundation successful.

A holiday gift to celebrate life

The Blood & Tissue Center Foundation helped a holiday wish come true for a Texas boy.

In the fall of 2015, Foundation members helped fund travel, lodging and meals for a surprise meeting between 11-year-old Colton Harvell, a bone marrow recipient from East Texas, and his donor, Alex Hartman, who traveled from his home in Germany for the event.

Dec. 21, 2015, already was special for Colton, who was diagnosed with leukemia in 2012. The Streetman, Texas, native had expressed interest in law enforcement, so the Bexar County Sheriff’s Department made him an honorary deputy.

Following the ceremony, Colton met with Hartman, a 34-year-old firefighter and EMT from Sindelfingen, Germany. Hartman’s family made the trip with him, and they visited and bonded with Colton’s family.

The meeting came 2½ years after Colton’s bone marrow transplant, which was a major part in the successful treatment of his condition. Under guidelines set up for international bone marrow transplants, Colton had to wait two years after the transplant to contact Hartman.

Foundation board member Laird McNeil served as a translator for the Hartman family.

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2015 Foundation funds raised
- Red and White Ball $333,995
- Cord Blood $96,047
- Cellular Therapy $47,590
- Founders’ Circle $21,700
- Other $4,884

Total Restricted Contributions $504,216
Total Unrestricted Contributions $146,940
Total Foundation Contributions for 2015 $651,156