ASX Announcement
Monday 30 January 2023

DECEMBER 2022 - QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Tissue Repair Limited (ASX: TRP, TR or the Company) is pleased to update the market on its progress in the December 2022 quarter and attaches its Appendix 4C Quarterly Cashflow Report for the period.

Key Highlights and Update

TR987® for chronic wounds on track for Phase 3 commencement subject to FDA approval

- Pilot engineering batches have been completed. GMP API batches needed for the planned Phase 3 TR-987 clinical studies are nearing completion. Analytical testing indicates the materials for Phase 3 supplies will be within specification.
- The Company expects to request an End of Phase 2 (EOP2) meeting with the FDA shortly. This will include presentation of the proposed phase 3 protocol. Subject to a favourable response the Company expects to commence its planned Phase 3 program in the US and Australia by around mid-year.
- The Company has confirmed Professor Robert Kirsner, a Director of Miami University Hospital and School of Medicine and Associate Professor Michael Woodward Director of Aged Care Research at Austin Health in Melbourne as Principal Investigators for the Phase 3 studies for the US and Australia, respectively. Both are respected leaders in their fields. The two professors joined the Company's Scientific Advisory Board at its inaugural meeting in early January.
- Three Clinical Research Organisations (CROs) have been shortlisted as potential partners for the Phase 3 program. Cost estimates, including hospital site costs, are still being refined but remain consistent with those contained in the prospectus.
- The Company remains confident that the positive signal of efficacy demonstrated in the Phase 2B study can be replicated in the larger patient data set/s required for Phase 3.
- The Company has appointed MCRA, LLC to advise on key reimbursement rates and optimal commercialization pathways for TR-987 in the US. MCRA's initial guidance suggests that TR-987 could achieve attractive reimbursement rates if it can replicate the Phase 2 signal in Phase 3.
- A research services agreement has been signed with Prof. Allison Cowin of the University of South Australia to undertake preclinical studies aimed at further elucidating the efficacy and mechanism of action of the Glucoprime® active ingredient. These outcomes will support the FDA application for TR-987 as well as the local launch activities of TR Pro+™. Additional research and development work will also be undertaken with Professor Cowin on next generation products based on the Company's technology platform.

TR Pro+™ for medical and cosmetic procedures - Commercial Launch

- Following some local manufacturing driven delays, the Company will be launching TR Pro+™ commercially in April 2023.
- An Australian-based manufacturer is being appointed shortly to produce a commercial quantity of 10g tubes and 3g sample sachets expected to be completed in Q1 2023 and be available for sale shortly thereafter to launch TR Pro+™.
- The Company has employed an initial territory manager to commence pre-marketing TR Pro+™, approaching dermatologists and beauty clinics. Initial feedback from the market is very positive, consistent with the outcomes of the earlier research and real-world evidence study.
- A journal article describing the Phase 2 clinical trial which used TR Pro+™ in patients who had undergone CO_2 fractionated laser skin resurfacing treatment was published in the highly regarded, peer reviewed Journal of Dermatologic Surgery in December 2022. This represents the first publication from the Company describing clinical studies using the Glucoprime® API.

Corporate

- The Company maintains its strong funding position with cash of $22.8m as of 31 December 2022.
- After reviewing its budget, management remains confident that the costs of the adjusted program of work required by the FDA for TR-987can be fully funded from its current cash reserves to deliver a phase 3 outcome, whilst concomitantly funding the launch of TR Pro+™.

Summary of Current Work Streams and Next Quarter Activities

Milestone	Status	Completion Timing (Calendar year)	Success
TR-987 Wound Drug			
Manufacturing Stage 1: lab scale	Completed	Q1 2022	**YES**
Manufacturing Stage 2: engineering scale	Completed	Q3 2022	**YES**
Manufacturing Stage 3: GMP production	In progress	Q2 2023	**YES**
Manufacturing Stage 4: Phase 3 clinical supplies	In progress	Q3/Q2 2023	
Analytical development	In progress	Q3/Q2 2023	
Toxicology	FDA guidance provided and work in progress	Q3 2023	
Approval to commence Phase 3 trial	In progress	Q2 2023 (EOP2 meeting requested Q1 2023)	
Phase 3 trial – Contract Research Organisation appointment process	In progress	Q1 2023	
Broader Clinical Scientific Advisory Board	In progress	Q1 2023	**YES**

TR Pro+™ (Aesthetics)			
Market research Report	Completed	Q4 2021	**YES**
Real-World Evidence Study	Completed	Q4 2022	**YES**
Publication of Phase 2 clinical trial on laser skin resurfacing	Accepted	Q4 2022	**YES**
Initial Production Batch	In progress	Q1/Q2 2023	

Corporate and Financial Summary

The Company's cash position was $22.8 million as at 31 December 2022. During the December 2022 quarter total cash operating outflows were approximately $1.312 million, largely attributed to expenses associated with the development of TR-987 and commercialisation of TR Pro+ offset by interest income.

A summary of the operating cash flow for the period 7 October 2021 to 31 December 2022 compared with the proposed use of funds in the Company's Prospectus dated 7 October 2021 is shown below:

	Use of Funds under Prospectus	**Actual use of funds for the period ending 31 Dec 2022**
Working capital and overheads[1]	300,000[1]	1,986,000[1]
Offer costs	2,300,000	1,849,000
Development of Chronic Wound Drug	3,700,000	2,837,000
Phase III Clinical Trials	13,600,000	146,000
Commercialisation of Aesthetic Product	2,100,000	562,000
Interest received	-	(134,000)
R&D tax incentive refund	-	(293,000)
Total	**22,000,000**	**6,953,000**

[1]The Company raised $7.5million via a convertible note in April 2021 (pre-IPO) which has been allocated to fund a significant portion of the working capital and overheads of the Company. The working capital and overhead cash outflows are broadly in line with the forecast budget. The Company believes the working capital outflows are consistent with the requirements for an ASX listed biotech Company of its size.

The Company expects future favourable variances of the R&D Tax incentive inflows for FY2022 – FY2023 and beyond, which were not included in the use of funds statement in the Prospectus. Such R&D tax incentive refunds will further extend the Company's cash runway, assisting with execution of the Company's strategy and providing a contingency should additional expenditure be needed to meet the Company's objectives for TR987® and TR Pro+™.

During the period ending 31 December 2022, overall spend was lower than estimated in the use of funds as set out in the Prospectus largely due to timing differences associated with commissioning of key work streams including chemistry manufacturing and control (CMC) work for the Company's drug candidate TR-897, and development work streams associated with commercialisation of TR-PRO+. The Company anticipates cash outflows in future quarters will increase in line with the acceleration of the chronic wound drug clinical program, and commercialisation of the aesthetic product.

In Accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C was $108,000. This includes payments for remuneration of director fees to executive and non-executive directors in the normal course of business at commercial rates including superannuation and short-term incentives, excluding reimbursements of out-of-pocket expenses.

KEY OPERATIONAL UPDATES

1. TR987® DRUG DEVELOPMENT

1.1 Manufacturing Update

The Company has progressed and is achieving significant milestones with respect to its manufacturing activities, including:

1. Manufacturing new API (drug substance) material consistent with the reference material used in the previous Phase 2 clinical trial program.
2. Satisfactory feedback from the FDA on the manufacturing process to enable progression into the Phase 3 trial from a successfully held type C FDA meeting.
3. Production of API for use in the Phase 3 trial.
4. Manufacture of finished drug product (gel/API) in 10-gram tubes for use in the Phase 3 trial.

The final purification steps have commenced on the three batches being completed in near-GMP conditions to be used for the Phase 3 clinical study and there have been some useful learnings regarding facilitating better separation to maximise yield.

All lots, engineering and GMP, have been tested through the early purification stages and are within specification. The historical records from Novogen and recent learnings at the CMO indicate all material should meet specification at the completion of the process.

The Company's manufacturing status is summarised in the table below:

Stage	Update	Status
Stage 1 Laboratory scale API	• Successful production of 3 laboratory scale batches	Completed
Stage 2 Engineering API	• Successful production of 4 scale-up engineering batches. • Production scheduled with the necessary equipment ordered. Batch record finalised and an agreement reached with contract manufacturer.	Completed Expected completion Q2 2023 (validation completed by Q3 2023)
Stage 3 GMP API	• Production of 2 GMP batches will commence immediately following successful production of the engineering batches.	Expected completion Q2/Q3 2023
Stage 4 Production of API into finished gel (10-gram tubes) for Phase 3 clinical supply	• Formulation of API material into gel and filling into 10-gram tubes for the Phase 3 trial	Contract manufacturers to be appointed following RFI process. Expected completion Q2/Q3 2023

1.2 Analytical Update

The Company's analytical activities have now progressed primarily into method validation work. The primary aim of the method development work is to support a comprehensive dossier for the FDA which describes in detail each of the specification tests and the respective method developments, as well as the test results prior to the Phase 3 study.

1.3 CMO Update

Four US-based contract manufacturers have now been engaged to produce the Glucoprime® API and produce the TR987® finished gel for validation and the Phase 3 clinical study.

1.4 Regulatory Update

Following the FDA's response to the Type C meeting in Q3 last year where the Company received clarity on key matters required to progress to the Phase 3 clinical study, management have been working towards an End of Phase 2 (EOP2) meeting. The EOP2 meeting will provide an opportunity to present the proposed Phase 3 protocol to the FDA, and pending a favourable response, will enable the Company to commence Phase 3 studies planned for the US and Australia.

The extensive CMC work completed on the TR-987 gel to date will commence being written up and documented in a format that can be submitted to the FDA digitally to support the NDA application.

1.5 Phase 3 VLU Trial CRO Cost Estimate (RFI)

Three CROs have been shortlisted as potential partners for the Phase 3 program. Cost estimates, including hospital site costs, are still being refined but confirm the ability of the Company to complete its Phase 3 program. A final decision on who to appoint will be made in Q1 2023.

1.6 Scientific Advisory Board (SAB)

The Scientific Advisory Board (SAB) met virtually for an inaugural meeting on 10 January 2023 to discuss and align on the Phase 3 protocol synopsis. Present at the meeting was the newly appointed Principal Investigator, Professor Robert Kirsner (Miami), together with a number of other members who have expertise in trial design and the clinical management of chronic wounds. Key discussion points included the trial design, control of infection, statistical analysis, and the role of debridement in wound management.

1.7 Preclinical work on the mechanism of action

A research services agreement has been signed with Prof. Allison Cowin of the University of South Australia to undertake preclinical studies aimed at further elucidating the efficacy and mechanism of action of the Glucoprime® active ingredient. The work which will commence in February 2023 and will take approximately 12 months. These outcomes will support our FDA application for TR-987 as well as the local launch activities of TR Pro+.

In addition, it is planned that the University will evaluate potential next generation drug products based on the Company's technology platform.

1.8 Next Quarter Activities

- Further development of the analytical methods required to characterise the Glucoprime® API and TR-987 hydrogel product.
- Compilation of the briefing package to accompany the FDA EOP2 meeting submission, which will be requested in Q1 2023.
- Progress completion of Phase 3 clinical supplies of TR-987.
- Phase 3 trial preparation CRO appointment and site outreach.

2. AESTHETIC COMMERCIALISATION TR Pro+™

2.1 Commercial launch of TR Pro+™

An Australian-based contract manufacturer is being appointed shortly to manufacture the initial batch of TR Pro+™ comprising 10g tubes and 3g sample sachets. We expect to have stock and samples produced at the end of Q1 2023 and be available for sale shortly afterwards to support the product launch.

A full-time territory manager with experience in dermatology commenced work in January and has been presenting TR Pro+ ™ to dermatology and beauty clinics. Initial feedback from the market is very positive, consistent with the outcomes of the earlier research and real-world evidence study. A comprehensive range of marketing activities has been planned and will be implemented once the product and sample sachets become available. The TR Pro+™ website will be updated shortly to reflect the latest research and the inclusion of an e-commerce facility (trproplus.com).

2.2 Conference Activity

A broad selection of conferences and meetings have been booked for sponsorship during 2023, commencing with the Aesthetic & Beauty Industry Council (ABIC) Educational Conference in Melbourne on February 12, 2023.

2.3 Publication of TR Pro+ for use following laser skin resurfacing procedures

The paper describing the phase 2 clinical trial which used TR Pro+TM (referred to in the article as TR987®) in patients who had undergone CO2 fractionated laser skin resurfacing treatment was published in the highly regarded, peer reviewed journal of Dermatologic Surgery in December 2022 (Wu DC, Kollipara R, Carter MJ, Goldman MP. A Novel Macrophage-Activating Gel Improves Healing and Skin Quality After CO2 Laser Resurfacing of the Chest. Dermatol Surg. 2022 Dec 1;48(12):1312-1316). This represents the first publication from the Company describing clinical studies using the Glucoprime® API.

2.4 Next Quarter Activities

- Production of the commercial supply of TR Pro+™
- Execution of the TR Pro+™ commercialisation strategy

For further information in relation to this release please contact Darryl Reed at
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0419 557 663.

This announcement has been approved for release by TRP's board.

--ENDS-

About Tissue Repair

Tissue Repair Limited (ASX:TRP) is an advanced biotechnology company developing second generation wound healing agents. The Company's core focus is entering a phase 3 program in chronic wounds for its lead drug candidate TR-987®, with a secondary focus on commercialising TR Pro+™ a post procedure topical gel to accelerate healing and improve skin quality post any cosmetic procedure. The Company's longer-term strategy is to commercialise its propriety Glucoprime® API to treat a variety of wounds and skin conditions.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Tissue Repair Limited	
ABN	**Quarter ended ("current quarter")**
20 158 411 566	31 December 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(795)	(1,714)
	(b) product manufacturing and operating costs	(7)	(16)
	(c) advertising and marketing	(27)	(86)
	(d) leased assets	-	-
	(e) staff costs	(283)	(517)
	(f) administration and corporate costs	(362)	(710)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	121	124
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	150
1.8	Other (provide details if material)	41	59
1.9	**Net cash from / (used in) operating activities**	**(1,312)**	**(2,710)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(2)**	**(2)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	24,385	25,455
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,312)	(2,710)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(258)	70
4.6	**Cash and cash equivalents at end of period**	**22,813**	**22,813**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,118	5,930
5.2	Call deposits	20,695	18,455
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**22,813**	**24,385**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount at 6.1 includes Director fees (including superannuation) for directors and related parties.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,312)
8.2	Cash and cash equivalents at quarter end (item 4.6)	22,813
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	22,813
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**17.4**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

30 January 2023

Date: .....

The Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.