



**ASX RELEASE**  
**4 February 2015**

## **Letter to eligible shareholders - Tissue Therapies Limited (ASX Code: TIS)**

Dear Shareholder

### **Entitlement Offer – notice to eligible shareholders**

Tissue Therapies Limited (**Tissue Therapies**) today announced a A\$3.7 million equity raising through a 1 for 15 non-renounceable entitlement offer of fully paid ordinary shares in Tissue Therapies (**New Shares**) (**Entitlement Offer**).

The Entitlement Offer will allow Tissue Therapies to proceed with:

- completion of the final EMA review, to seek approval for the granting of CE Mark and targeting country sales launches in the EU and internationally; and
- commencing preparatory work for an FDA diabetic ulcer human trial to commence during the second half of 2015, to provide the basis for approval for sale of VitroGro<sup>®</sup> ECM for the treatment of diabetic ulcers in the USA and to optimize future global sales.

The Entitlement Offer has been fully underwritten by Morgans Corporate Limited and Baillieu Holst Limited (**Underwriters**).

### **Summary of key terms of the Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 1 New Share for every 15 existing ordinary shares in Tissue Therapies held at 7.00pm (AEDT) on Tuesday, 10 February 2015 (**Record Date**) at an offer price of \$0.21 per New Share (**Entitlement**).

## **Eligibility of shareholders to participate in the Entitlement Offer**

You are being sent this letter because Tissue Therapies believes you are an Eligible Shareholder. An Eligible Shareholder means a holder of Tissue Therapies Shares at 7.00pm (AEDT) on the Record Date who:

- has a registered address in Australia or New Zealand or is a Shareholder that Tissue Therapies has otherwise determined is eligible to participate; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is being made by Tissue Therapies without a disclosure document or product disclosure statement in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Class Order 08/35).

## **Ineligible shareholders**

If you are not an Eligible Shareholder you cannot participate in the Entitlement Offer. Tissue Therapies will notify those shareholders who are not Eligible Shareholders.

## **Further details about the Entitlement Offer**

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

Shareholder approval is not required for Tissue Therapies to make the offer under the Entitlement Offer.

## **Information Booklet**

On 11 February 2015, you will be sent an information booklet and personalised Entitlement and acceptance form which contains important information about the Entitlement Offer and sets out the number of New Shares you are entitled to purchase under the Entitlement Offer. A copy of the information booklet is also available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Tissue Therapies' website at [www.tissuetherapies.com](http://www.tissuetherapies.com).

## Key dates

Tissue Therapies expects the Entitlement Offer to be conducted according to the following timetable:

Activity	Date
Announcement of the Entitlement Offer	4 February 2015
Mailing of the Entitlement Offer details	5 February 2015
Ex date	6 February 2015
Record Date for Entitlement Offer (7.00pm (AEDT))	10 February 2015
Information Booklet and Entitlement & Acceptance Form despatched	11 February 2015
Entitlement Offer opens	11 February 2015
Closing date for acceptances under Entitlement Offer (5.00pm (AEDT))	27 February 2015
New Shares quoted on deferred settlement basis	2 March 2015
Company notifies ASX of under subscriptions	4 March 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	10 March 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	10 March 2015

*This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. The last date to extend the closing date is 24 February 2015. An extension of the closing date will delay the anticipated date for issue of the New Shares.*

*The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.*

## Capital structure

The capital structure of Tissue Therapies following the issue of New Shares, assuming the maximum number of New Shares is issued under the Entitlement Offer, will be as follows:

Shares on issue as at 4 February 2015 (announcement of the placement and intention to conduct Entitlement Offer)	263,358,277
Shares issued under the placement	19,047,642
New Shares to be issued under the Entitlement Offer	17,557,218
Shares on issue after the placement and Entitlement Offer	299,963,137

The New Shares will be fully paid and rank equally with existing Tissue Therapies Shares.

The Company has 1,360,000 existing options on issue, comprising:

Category	Number	Exercise Price	Vesting and lapse details
Director - Dr Steven Mercer	140,000	64c	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting
Employees and contractors	1,060,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting
Director - Dr Steven Mercer	160,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	Options vest on achievement of KPIs by specific target date and lapse 2 years after vesting


None of the existing options may be exercised prior to the Record Date.

#### Further information

Should you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the share registry on 1800 063 366 (within Australia) or +61 1800 063 366 (outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday.

On behalf of the Directors, I thank you for your continued support of Tissue Therapies.

Yours sincerely



Steven Mercer  
Managing Director  
Tissue Therapies Limited

## What is VitroGro® ECM

- VitroGro® ECM is a topically applied, biomimetic scaffold, comprising a synthetic extracellular matrix (ECM) protein.
- How it works: VitroGro® ECM replaces the degraded matrix of a hard to heal wound. VitroGro® ECM binds to a prepared wound bed and provides a physical structure (a scaffold) for cell attachment, which is a primary requirement for subsequent cell functions critical for healing, such as cell proliferation and migration <sup>[1]</sup>.
- An optimal scaffold: One of the characteristics of hard to heal wounds is prolonged inflammation, which damages the native ECM that would normally guide the wound healing process <sup>[1,2,3,4]</sup>. Replacement of this damaged ECM is a beneficial strategy for treating hard to heal wounds <sup>[1]</sup>. VitroGro® ECM is ideal as an ECM replacement since its structural and functional elements mimic those present in the ECM at the early stages of normal wound healing.
- Expert health economics modelling indicates that VitroGro® ECM offers the opportunity for substantially more cost effective treatment of wounds compared to the current standard of care.

[1] Widgerow AD . Deconstructing the stalled wound. Wounds 2012

[2] Schultz GS. Extracellular Matrix: review of its roles in acute and chronic wounds. World Wide Wounds. 2005

[3] Moor AN. et al. Proteolytic activity in wound fluids and tissues derived from chronic venous leg ulcers. Wound Rep Reg. 2009

[4] International consensus, Acellular matrices for treatment of wounds. Wounds Int. 2010

## About Tissue Therapies Limited

Tissue Therapies Limited is a biomedical technology company that is developing significantly more effective treatments for acute and chronic wound healing applications, including chronic skin ulcers and burns. Tissue Therapies Limited is commercialising VitroGro® ECM, a technology created by cell biology, tissue engineering and protein engineering experts at the Institute of Health and Biomedical Innovation at the Queensland University of Technology. The company is also developing treatments for psoriasis, scar prevention and various cancers including those of the breast, colon and prostate. Tissue Therapies Limited's shares are traded on the Australian, Berlin and Frankfurt stock exchanges.

More information: [www.tissuetherapies.com](http://www.tissuetherapies.com)

## Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.