



ASX RELEASE
11 February 2015

Letter to ineligible overseas shareholders - Tissue Therapies Limited (ASX Code: TIS)

Dear Shareholder

Tissue Therapies Entitlement Offer – notice to ineligible shareholders

On Wednesday, 4 February 2015, Tissue Therapies Limited (**Tissue Therapies**) announced a A\$3.7 million equity raising via a 1 for 15 non-renounceable entitlement offer of fully paid ordinary shares in Tissue Therapies (**New Shares**) (**Entitlement Offer**).

The proceeds of 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[®] ECM for the treatment of diabetic ulcers in the USA and to optimize future global sales.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited and Baillieu Holst Ltd.

Terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders 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**).

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) (**Corporations Act**).

Documents relating to the Entitlement Offer were lodged with ASX on Wednesday, 4 February 2015 and are being mailed to Eligible Shareholders.

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

Tissue Therapies Limited ABN 45 101 955 088 www.tissuetherapies.com
Level 19, 179 Turbot Street, Brisbane QLD 4000 Australia
GPO Box 1596, Brisbane QLD 4001
telephone +61 7 3334 3900 facsimile +61 7 3334 3999

Eligibility of shareholders to participate in the Entitlement Offer

Tissue Therapies has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) Corporations Act, that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) Corporations Act, this letter is to inform you that Tissue Therapies has determined that you are not an Eligible Shareholder and therefore are ineligible to apply for New Shares under the Entitlement Offer.

You are not required to do anything in response to this letter.

The Entitlement Offer is only available to Eligible Shareholders. 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.

As you do not satisfy the criteria for eligibility, Tissue Therapies is unfortunately unable to extend the Entitlement Offer to you.

New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder will be allocated to Eligible Shareholders who subscribe for New Shares in excess of their entitlement under the Entitlement Offer or in accordance with the underwriting agreement.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of any New Shares that would have been offered to you if you were eligible.

Further information

If you have any queries, please call 1800 063 366 (inside Australia) or +61 1800 063 366 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

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



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 ^[1].
- 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 ^[1,2,3,4]. Replacement of this damaged ECM is a beneficial strategy for treating hard to heal wounds ^[1]. 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

Important information

This letter does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. In particular, the new shares under the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

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