

25 January 2016

Appendix 4C Quarterly Report

Brisbane, 25th January 2016. Tissue Therapies Limited trading as Factor Therapeutics (**ASX: TIS**) has released the additional commentary below, in support of the following Appendix 4C Quarterly Report, for the period 1 October to 31 December 2015.

Consistent with previous advice to the market (Please see ASX: TIS Investor Update, 23 November 2015), the Company is planning a \$15m capital raising and planning for this is proceeding in an orderly fashion.

- ENDS -

For more information

<p>Dr Christian P Behrenbruch, Ph.D Executive Director Tissue Therapies Limited trading as Factor Therapeutics Tel: +61 7 3334 3900 E-mail: c.behrenbruch@factor-therapeutics.com</p> <p>Dr Cherrell Hirst, Chairman Tissue Therapies Limited trading as Factor Therapeutics E-mail: Cherrell@hirst.com</p>	<p>Nigel Johnson, CEO Tissue Therapies Limited trading as Factor Therapeutics Tel: +61 7 3334 3900 E-mail: n.johnson@factor-therapeutics.com</p>
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About Factor Therapeutics

Factor Therapeutics (trading name of 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.

Factor Therapeutics is commercialising VG-001 (previously known as 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 business owns various patent families related to wound healing and other therapeutic uses. The Company's shares are traded on the Australian, Berlin and Frankfurt stock exchanges. For more information, please visit www.factor-therapeutics.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/200

Name of entity

TISSUE THERAPIES LIMITED

ABN

45 101 955 088

Quarter ended ("current quarter")

DECEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to Date (6 months) \$A'000
1.1	Receipt of research grants	-	-
1.2	Payments for (a) Board, staff & termination costs	(214.7)	(597.1)
	(b) advertising and marketing	-	-
	(c) research and development	(197.0)	(202.4)
	(d) clinical trials	-	-
	(e) regulatory - statistics, consulting, agents & non-clinical activities	(183.2)	(717.6)
	(f) development cost - chemistry manufacturing control & compliance	(474.8)	(491.4)
	(g) other working capital – corporate, IP, legal, logistics & occupancy	(320.2)	(820.1)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	20.5	85.3
1.5	Interest and other costs of finance paid	(2.2)	(5.5)
1.6	Income tax (paid) / rebate received	426.8	426.8
1.6	Payment for inventory – clinical & quality development	(199.8)	(504.5)
1.7	Product sales	-	-
Net operating cash flows		(1,144.6)	(2,826.5)

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	Current quarter \$A'000	Year to Date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,144.6)	(2,826.5)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-	-
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(1,144.6)	(2,826.5)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - payment of share issue costs	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,144.6)	(2,826.5)
1.21 Cash at beginning of quarter/year to date	3,894.2	5,578.7
1.22 Unrealised exchange rate adjustments	(13.1)	(15.7)
1.23 Cash at end of quarter	2,736.5	2,736.5

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	197
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions Fees for research and development paid to Queensland University of Technology – \$197. This amount includes back payment of \$167k for work done in HY1 2015 predominantly as required for the EMA process. Fees paid to Directors - Nil	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements		

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	495.9	1,064.2
4.2	Deposits at call	2,240.6	2,830.0
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		2,736.5	3,894.2

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 25 January 2016

Print name: Saskia Jo

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
 - Aus 20.1- reconciliation of cash flows arising from operating activities to operating profit or loss
 - 39 & 40- itemised disclosure relating to acquisitions and disposals
 - 48 - disclosure of restrictions on use of cash
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.