

ASX RELEASE  
1 April 2016

## Letter to ineligible overseas shareholders - Tissue Therapies Limited ACN 101 955 088 (trading as Factor Therapeutics) (ASX Code: TIS)

Dear Shareholder

### Factor Therapeutics Entitlement Offer – notice to ineligible shareholders

On 18 March 2016, Tissue Therapies Limited (trading as Factor Therapeutics) (**Factor**) announced a \$15 million equity raising via a \$9.7 million two tranche placement to professional and sophisticated investors (subject to shareholder approval of the second tranche placement) (**Placement**) and a 2 for 5 non-renounceable entitlement offer to raise \$5.3 million (**Entitlement Offer**) of fully paid ordinary shares in Factor (**New Shares**).

The Placement and Entitlement Offer will allow Factor to proceed with:

- execution of a Phase II clinical trial in the United States under an FDA Investigational New Drug (IND) application;
- manufacturing, material certification and stability testing to meet the needs of Phase III clinical trial and beyond as a pharmaceutical;
- further development of core technology into new indication areas including ocular wound healing; and
- operating expenditure.

The Entitlement Offer is fully underwritten by Taylor Collison Limited (**Underwriter**).

### Terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders will be invited to subscribe for 2 New Shares for every 5 existing Factor ordinary shares held at 7.00pm (AEDT) on 30 March 2016 (**Record Date**) at an offer price of \$0.035 per New Share (**Entitlement**).

The Entitlement Offer is being made by Factor 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 18 March 2016 and are being mailed to Eligible Shareholders.

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

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

Factor 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 Factor 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 Factor shares at 7.00pm (AEDT) on the Record Date who:

- has a registered address in Australia or New Zealand or is a Shareholder that Factor 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, Factor 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 990 479 (within Australia) or +61 1800 990 479 (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 Factor.



**Nigel Johnson**  
**Chief Executive Officer**  
**Tissue Therapies Limited trading as Factor Therapeutics**

**Corporate Contact**

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**About Factor Therapeutics**

Tissue Therapies Limited (trading as Factor Therapeutics) 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 VF-001 (previously denoted VitroGro<sup>®</sup> 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](http://www.factor-therapeutics.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.