

Tissue Therapies Limited (trading as Factor Therapeutics) (ASX:TIS)
General Meeting 28 April 2016
Chairman's Address

Good afternoon Shareholders and Colleagues.

My name is Cherrell Hirst and I have the honour of chairing Factor Therapeutics. Welcome to this General Meeting. I, along with our executive director Christian Behrenbruch, am pleased to provide you with a brief update on the position of Factor today and to answer your questions before we proceed to the formal business of the meeting. However before doing so I would like to introduce you to my fellow directors and management team:

- Christian Behrenbruch – Executive Director;
- Tim Hughes – Non Executive Director. I note that Tim is currently in Europe and joins us via telephone;
- Nigel Johnson – Chief Executive Officer;
- Gary Shooter – Director of Research and Development; and
- Saskia Jo – Director of Finance and Company Secretary.

Today marks a major milestone in the journey of Factor Therapeutics to long-term success for both shareholders and the patients who may ultimately benefit from the impact of our technology. It marks the crossing of the threshold from survival mode to a purposeful, focussed and strategically driven development pathway for our products. Assuming the successful passage of the resolutions at today's meeting, the AU\$15 million Factor has raised will enable us to execute on our near term goals as outlined in the "use of funds" namely:

- manufacturing, material certification and stability testing for clinical use;
- execution of a Phase II clinical trial for our lead asset in the USA under an FDA IND;
- further development of core technology into potentially exciting and valuable new indications such as ocular wound care; and
- operating expenditure.

Summarising – this capital will enable us to finalise the preparation for and commence our Phase 2 trial - currently on track with our previously advised timing - approximately mid-year. Executing a clinical trial

requires pulling together a huge amount of work across different spheres of activity. Much preparatory work had been done in the lead up to completion of this financing, but until the capital was raised actual execution of many of these critical tasks could not begin. Now we can get on with the job.

The success of this raising is a clear indication of the confidence investors have in our product and our ability to execute on our plan. On behalf of the board and management, I want to thank all investors – new and existing shareholders – for that confidence and trust. I speak for each of my fellow directors and each member of the management team when I assure you that we understand the task ahead, the challenges and opportunities – and we are 100% committed to delivering on these goals and most importantly I believe that this team has the ability and motivation to succeed.

There is a further detail regarding the approval of Tranche 2 of the placement today to which I wish to draw your attention. You will realise from the Explanatory Memorandum for today's meeting that Tranche 1 of the placement falls under the 25% which the company is able to raise without shareholder approval. Tranche 2 is the amount raised from the placement above that amount and for which we are seeking Shareholder approval today. Signalling our confidence in the future of Factor Therapeutics, Dr Behrenbruch and I also committed to investing in the placement but we require additional shareholder approval to do so. We chose not to delay shareholder approval for Tranche 2 (i.e. the date of today's meeting), given the importance of signing on to time critical contracts which we could not do until the raise was completed. Chris will elaborate further in his update. As a result there will be another General meeting in June for shareholders to approve or not our individual investments in Tranche 2. The consequence of this situation is that the amount to be approved today in Tranche 2 (\$7 million) is AU\$200,000 greater than the total amount which, assuming the resolution is passed, will be allocated as shares next week and disclosed to the ASX as the total for Tranche 2. This AU\$200,000 difference represents a \$100,000 investment, currently completed as an irrevocable undertaking, each from Chris and I.

You will receive the Notice of Meeting for the second GM in the next few weeks and it will provide relevant details.

As a board and management team, we have worked through the hard yards of past events and in doing so have forged a new team which is stronger, more determined and more capable. Although we plan to keep our operational team lean, we will strengthen it with expanded capacity in vital areas as we proceed: we have already appointed Michael Larcom to manage our quality agenda and there will be one or two additional hires as we approach the clinical trial. I want to thank Chris, Nigel, Gary and Saskia for the huge effort you have put into the last 12 months. I must especially commend Chris for his leadership role in the capital raising without which I believe we could not have succeeded and I thank him on behalf of all shareholders including myself.

I will now ask Chris to provide you with a brief summary of current operations and then we will take questions before we proceed to the formal business of the meeting.

- ENDS -

Corporate Contact

Dr. Christian P. Behrenbruch
Executive Director
Tissue Therapies Limited, trading as Factor Therapeutics
Tel: +61 7 3334 3900
Email: c.behrenbruch@factor-therapeutics.com

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® 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

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.