

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

Good afternoon shareholders and colleagues,

I'd like to start my brief address by thanking Cherrell for her opening remarks, but also echo her acknowledgement of the team's efforts over the past months, both at the board and management team level. I'd particularly like to recognise the commitment and sheer long hours Nigel and the team have put in on the operational front, in parallel to my leading the capital raise. Because of this division of labour, on the 18<sup>th</sup> of March when the first placement tranche was announced, we were actually able to initiate major works *that day*, without delay.

When we made the decision last November to give advance notice to shareholders that we intended to conduct a larger capital raise – at least relative to market cap – we wanted to signal that our financial strategy was also indicative of a renewed company philosophy. It was with a lot of planning and risk management that we embarked upon this \$15 million raise and it is my personal view that the company diligenced well during the financing process. This capital raise took time because we wanted to somewhat institutionalise our shareholder registry and thus build longer-term support in the stock. This in turn required sophisticated dialog and extensive diligence, especially given that this is effectively a corporate turn-around.

I'd like to take a moment to acknowledge our corporate advisor, Taylor Collison for their superb efforts during our fundraising activity. I'd also like to express my appreciation to the team at Morgans who continued to demonstrate their commitment to what we seek to accomplish. Lastly, I'd like to thank you – our shareholders – for the second chance.

An important part of our new company culture is quality and transparent communication with shareholders. The activities of the next quarter should provide ample opportunity for positive progress updates to shareholders as we launch our clinical activities in the US. Manufacturing of our clinical lots for the planned Phase II trial has already begun and, in fact, we successfully completed our "test" engineering run in Boston last week, on schedule. Per our disclosure last December, the completion of this "fill and finish" and delivery of the Certificates of Analysis to the FDA, is the critical path item to being off clinical hold and commencing our study. From the company's vantage, a notice of allowance from the FDA will mark a very significant landmark in the turn-around the company and while we are not there yet, we are making robust progress.

In parallel, consistent with our March quarterly shareholder update, we are doing the final legwork to conclude the selection of our CRO, qualify sites and select investigators. These activities, in turn, will

enable us to get the ball moving on finalising our clinical protocol as part of our planned IND amendment. Although the project plan is aggressive, we are still aiming for an approximately mid-year commencement of our study, although I note that July is slightly awkward month to initiate a trial in the US and so shareholders should not be dismayed if we experience a few weeks of delay on first-patient-in. Sites will also not all come online at once because of differing durations in ethics/IRB approval times.

Certainly we will keep you closely informed as we complete some of the major milestones. I can tell you that we are starting to assemble a truly outstanding medical advisory board to guide us through the next 18 months and I am very much looking forward to updating you about that in the very near future.

In terms of some of the other activities that we outlined during the fundraising, including indication expansion for the lead program and also new pipeline, we are planning on focusing on the launch of this trial first and foremost. Once it is recruiting we will have the bandwidth to turn our attention to these other tasks. Given that the majority of the value inflection of the company in the next 18 months is in this clinical study, this is clearly where our near-term focus needs to be.

By way of a brief financial update, I wish to report that we are currently in line with budgetary expectation for the quarter, notwithstanding that we have initiated a significant scope of work to prepare for our clinical trial. Relative to our model exchange rate of 65c, we have also been able to take advantage of improved AUD-US forex, an important consideration given our significant operational exposure to the US dollar. We will continue to watch this closely and with professional guidance.

As a final comment, I would like to briefly discuss the renaming of the company to Factor Therapeutics Limited. Although this is a far less important agenda issue than the conclusion of the financing, it is still important to explain why we elected to do this. Fundamentally, as part of re-articulating the strategy for the company we took a careful look at all aspects of our public communication strategy and profile. We felt that "Tissue Therapies" described what we did, but was not differentiated and did not reflect our unique technology strength in the field of targeted growth factors. We hope you will support this name change as an important, albeit cosmetic, part of our corporate transformation.

This concludes my brief operational update. I would be happy to take some brief questions or comments before proceeding with the formal part of the meeting.

**- ENDS -**

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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® 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)

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