

1. Company details

Name of entity:	Tissue Repair Ltd
ABN:	20 158 411 566
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	293.4% to	449,219
Loss from ordinary activities after tax attributable to the owners of Tissue Repair Ltd	down	28.4% to	(2,257,013)
Loss for the half-year attributable to the owners of Tissue Repair Ltd	down	28.4% to	(2,257,013)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$2,257,013 (31 December 2022: \$3,154,192).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	32.74	37.35

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

10. Attachments

Details of attachments (if any):

The Half Year Financial Report of Tissue Repair Ltd for the half -year ended 31 December 2023 is attached.

11. Signed

Signed  _____

Jack Lowenstein
Non-Executive Chair

Date: 28 February 2024

Tissue Repair Ltd

ABN 20 158 411 566

Half Year Financial Report - 31 December 2023

Directors	Tony Charara (Executive Director and Co-Founder) Jack Lowenstein (Non-Executive Director) Bryan Gray (Non-Executive Director) Michael Silberberg (Non-Executive Director)
Company secretary	Priyamvada Rasal
Registered office	Level 10, 255 Pitt Street Sydney NSW 2000
Principal place of business	Level 10, 255 Pitt Street Sydney NSW 2000
Share register	Automic Pty Ltd Deutsche Bank Tower Level 5/126 Phillip Street Sydney NSW 2000
Auditor	Pitcher Partners Level 16, Tower 2, Darling Park 201 Sussex Street Sydney NSW 2000
Stock exchange listing	Tissue Repair Ltd shares are listed on the Australian Securities Exchange (ASX code: TRP)
Website	www.tissuerepair.com.au

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The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of Tissue Repair Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Tissue Repair Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Independence status
Tony Charara	Co-Founder, Executive Director
Jack Lowenstein	Independent, Non-Executive Director
Bryan Gray	Independent, Non-Executive Director
Michael Silberberg	Independent, Non-Executive Director

Principal activities

Tissue Repair is a clinical stage biopharmaceutical company developing advanced wound healing products targeting applications in the chronic wound and aesthetic procedure aftercare markets, with the potential for further development of related technologies.

Financial update

The Group recorded a loss of \$2,257,013 for the six months ending 31 December 2023 (31 December 2022: \$3,154,192). The Group's operating cash outflows for the half year were \$2,008,171 (31 December 2022: \$2,707,822) and reported closing cash of \$19,263,706 at 31 December 2023 (30 June 2023 \$21,396,461).

Review of operations

TR937® for chronic wounds on track for Phase 3 commencement

- The laboratory and pilot work has been completed with current efforts focused on the summary of the purification process development and outlining areas that may require further development prior to moving to NDA development and validation runs
- The majority of the 20-plus tests used to characterise the API have been fully validated.
- Glucoprime® API manufacturing has been completed for Phase 3 clinical supplies. Release testing samples from the two Phase 3 Glucoprime® API batches have been shipped to all the respective labs for testing with a full CoA expected in Q1 2024.
- Following the successful production of a pilot batch, the first scale up batch of the finished gel has been completed and is being used to finalise the remaining test methods for release and stability testing of the Phase 3 drug product. A second batch to be used for the Phase 3 program is scheduled.
- The Company's in-house clinical operations team has been established and has continued site outreach activities in both Australia and the US. The team have 10 sites in the United States with approved budgets and a further 12 sites that are still in preliminary discussions. Two Australian sites have committed to the study with a further eight sites at various stages of discussion. First patient enrolment is expected in Q3 2024.
- A draft Phase 3 protocol was submitted to the FDA in mid-December as part of a Type C meeting request to clarify a few aspects of the study design. The written FDA response has now been received and we expect to formally submit the protocol in April, incorporating the FDA feedback.
- Preliminary results from the collaboration with Dr Allison Cowin at the University of South Australia has provided additional insights into the mechanism of action of the Glucoprime® API and are suggestive of immunomodulation via the M2-type population of macrophages. Additional tests to confirm this are ongoing.

TR Pro+™ for cosmetic and medical procedures - Early success following product launch

- TR Pro+ was launched in June 2023 as part of a pilot program with the aim of establishing a small group of clinics prepared to use and recommend the hydrogel as an aftercare product on a range of procedures.
- The clinical evidence which differentiates TR Pro+™ from other aftercare products is particularly relevant to healthcare professionals and consequently the launch strategy has been focused on dermatologists, dermal therapists, cosmetic nurses and plastic surgeons.
- At six months post-launch TR Pro+™ had been ordered by more than 100 clinics and the feedback provided from online orders and our sales team has indicated that the gel is being used more broadly than just post-laser procedures. This aligns with our knowledge about the mechanism of action which suggests that TR Pro+™ can benefit healing in virtually any circumstance where the skin has been damaged or wounded.
- Insights and case studies generated during the launch period have enabled us to fine tune our messaging and tailor communication to the broad range of clinicians and therapists.
- Over the next six months the Company will look to expand the collection of cases studies and will sponsor several conferences and scientific meetings to further drive product awareness and adoption.
- There are a number of business development partnerships and distribution opportunities being explored for the product.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC), relating to the rounding off of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that legislative instrument to the nearest dollar, unless specifically stated to be otherwise.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jack Lowenstein
Non-Executive Chair

28 February 2024

Pitcher Partners Sydney

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**Auditor's Independence Declaration
To the Directors of Tissue Repair Ltd
ABN 20 158 411 566**

In relation to the independent auditor's review of Tissue Repair Ltd for the half year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



Rod Shanley
Partner

Pitcher Partners
Sydney

28 February 2024

Tissue Repair Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	31 Dec 2023 \$	31 Dec 2022 \$
Revenue		
Revenue from contracts with customers	58,586	-
Cost of Sales	(5,217)	-
Gross profit	53,369	-
Interest	395,850	114,178
Total revenue	449,219	114,178
Expenses		
Research and development expenses	(987,101)	(1,771,476)
Employee benefit expenses	(740,895)	(473,862)
General and administration	(181,762)	(190,964)
Share based payment expense	(170,026)	(457,768)
Consulting and professional expenses	(375,036)	(488,816)
Depreciation and amortisation expense	(814)	(1,118)
Advertising and marketing expenses	(131,341)	-
Net foreign exchange (losses) / gains	(119,257)	115,634
Total expenses	(2,706,232)	(3,268,370)
Loss before income tax expense	(2,257,013)	(3,154,192)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of Tissue Repair Ltd	(2,257,013)	(3,154,192)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(438)	(58,429)
Other comprehensive loss for the half-year, net of tax	(438)	(58,429)
Total comprehensive loss for the half-year attributable to the owners of Tissue Repair Ltd	(2,257,451)	(3,212,621)
	Cents	Cents
Basic and diluted loss per share	(3.73)	(5.22)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	19,263,706	21,396,461
Other receivables	7	850,088	829,679
Inventories		252,238	20,285
Other current assets		222,385	130,784
Total current assets		<u>20,588,417</u>	<u>22,377,209</u>
Non-current assets			
Property, plant and equipment		994	1,808
Total non-current assets		<u>994</u>	<u>1,808</u>
Total assets		<u>20,589,411</u>	<u>22,379,017</u>
Liabilities			
Current liabilities			
Trade and other payables	8	704,535	444,770
Provisions		82,533	46,027
Total current liabilities		<u>787,068</u>	<u>490,797</u>
Non-current liabilities			
Provisions		8,098	6,550
Total non-current liabilities		<u>8,098</u>	<u>6,550</u>
Total liabilities		<u>795,166</u>	<u>497,347</u>
Net assets		<u>19,794,245</u>	<u>21,881,670</u>
Equity			
Issued capital		35,037,623	35,037,623
Reserves	9	1,817,716	1,648,128
Accumulated losses		<u>(17,061,094)</u>	<u>(14,804,081)</u>
Total equity		<u>19,794,245</u>	<u>21,881,670</u>

	Issued capital \$	Share based payment reserve \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	35,037,623	917,891	12,091	(10,629,667)	25,337,938
Loss after income tax expense for the half-year	-	-	-	(3,154,192)	(3,154,192)
Other comprehensive loss for the half-year, net of tax	-	-	(58,429)	-	(58,429)
Total comprehensive loss for the half-year	-	-	(58,429)	(3,154,192)	(3,212,621)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	457,768	-	-	457,768
Balance at 31 December 2022	<u>35,037,623</u>	<u>1,375,659</u>	<u>(46,338)</u>	<u>(13,783,859)</u>	<u>22,583,085</u>
	Issued capital \$	Share based payment reserve \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	35,037,623	1,623,314	24,814	(14,804,081)	21,881,670
Loss after income tax expense for the half-year	-	-	-	(2,257,013)	(2,257,013)
Other comprehensive loss for the half-year, net of tax	-	-	(438)	-	(438)
Total comprehensive loss for the half-year	-	-	(438)	(2,257,013)	(2,257,451)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	170,026	-	-	170,026
Balance at 31 December 2023	<u>35,037,623</u>	<u>1,793,340</u>	<u>24,376</u>	<u>(17,061,094)</u>	<u>19,794,245</u>

	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	63,726	-
Payments to suppliers and employees (inclusive of GST)	(2,456,513)	(2,981,131)
Interest received	384,616	123,465
Research and development tax incentive	-	149,844
	<u> </u>	<u> </u>
Net cash used in operating activities	(2,008,171)	(2,707,822)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(2,244)
	<u> </u>	<u> </u>
Net cash used in investing activities	-	(2,244)
Net decrease in cash and cash equivalents	(2,008,171)	(2,710,066)
Cash and cash equivalents at the beginning of the financial half year	21,396,461	25,455,289
Effects of exchange rate changes on cash and cash equivalents	(124,584)	67,394
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u>19,263,706</u>	<u>22,812,617</u>

Note 1. General information

The financial statements cover Tissue Repair Ltd as a Group consisting of Tissue Repair Ltd and the entity it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Tissue Repair Ltd's functional and presentation currency.

Tissue Repair Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the director's report and in the financial report have been rounded to the nearest dollar.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Critical accounting judgements, estimates and assumptions

(i) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity (note 9).

Note 4. Going concern

For the half-year ended 31 December 2023 the Group has incurred a loss after tax of \$2,257,013 (31 December 2022: \$3,154,192) and incurred a net cash outflow from operating activities of \$2,008,171 (31 December 2022: \$2,707,822). As at 31 December 2023, the Group had net assets of \$19,794,245 (30 Jun 2023: \$21,881,670) and cash reserves of \$19,263,706 (30 June 2023: \$21,396,461).

The directors are satisfied that at the date of the signing of the financial report, there are reasonable grounds to believe that the Group will be able to meet its debts as and when they fall due and that it is appropriate for the financial report to be prepared on a going concern basis.

Note 5. Operating segments

A segment is a component of the Group entity that earns revenues or incurs expenses whose results are regularly reviewed by the chief operating decision makers and for which discrete financial information is prepared. The Group has no operating segments, management review financial information on a consolidated basis. It has established entities in more than one geographical area, however the activities from these entities comparative to the Group are considered immaterial for the purposes of segment reporting.

Note 6. Cash and cash equivalents

	31 Dec 2023 \$	30 Jun 2023 \$
Cash at bank	6,020,466	7,640,303
Cash on deposit	13,243,240	13,756,158
	<u>19,263,706</u>	<u>21,396,461</u>

The term deposits have maturities ranging from 3 to 12 months. The Company has the ability to terminate a term deposit by providing the institution with notice, incurring minor financial penalties and therefore term deposits are considered cash and cash equivalents.

Note 7. Other receivables

	31 Dec 2023 \$	30 Jun 2023 \$
R&D tax incentive - FY23	748,898	748,898
Interest receivable	52,595	41,363
GST receivable	48,595	39,418
	<u>850,088</u>	<u>829,679</u>

Note 8. Trade and other payables

	31 Dec 2023 \$	30 Jun 2023 \$
<i>Current liabilities</i>		
Trade payables	564,272	82,298
Other payables	30,627	31,898
Accrued expenses	109,636	330,574
	<u>704,535</u>	<u>444,770</u>

Note 9. Share-based payments

Share-based payments

The following share-based payment arrangements were in existence at the end of the current reporting period.

No. of Options	Grant date	Expiry date	Grant date fair value	Vesting date	Exercise price
11,240,000	30/12/2018	30/12/2033	\$0.0071	18/11/2021	\$0.20
1,265,000	30/11/2019	1/10/2034	\$0.0122	18/11/2021	\$0.37
3,930,000	30/11/2019	30/11/2034	\$0.0122	18/11/2021	\$0.37
5,519,292	27/9/2021	27/9/2036	\$0.2844	27/9/2022 ¹	\$1.15
392,753 ²	13/11/2023	27/9/2036	\$0.0452	12/11/2024 ³	\$1.15

¹ On 27 September 2022, 25% of the options vested. The remaining options vest equally each month until all options are vested by 27 September 2025.

² The options were approved by Shareholders at the AGM held on 26 October 2023. The terms remain consistent as outlined in the 2023 Annual Report lodged with the ASX on 31 August 2023. Noting the expiry date in the 2023 Annual Report was incorrect, the expiry date of the options issued is 27 September 2036. There is no change to the accounting values.

³ On 26 April 2024, 25% of the options vest. The remaining options vest equally each month until all options are vested by 26 April 2027.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Commitments and contingencies

The directors are of the opinion that there are no significant commitments and contingencies requiring disclosure for the Group as at 31 December 2023.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Jack Lowenstein
Non-Executive Chair

28 February 2024

Pitcher Partners Sydney

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**Independent Auditor's Review Report
To the Members of Tissue Repair Ltd
ABN 20 158 411 566**

Report on the Half-Year Financial Report**Conclusion**

We have reviewed the half-year financial report of Tissue Repair Ltd ("the Company") and its controlled entity ("the Group") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Tissue Repair Ltd does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Rod Shanley
Partner

28 February 2024



Pitcher Partners
Sydney