Tissue Repair Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	Tissue Repair Ltd
ABN:	20 158 411 566
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	-	to	-
Loss from ordinary activities after tax attributable to the owners of Tissue Repair Ltd	up	2203.6%	to	(4,916,316)
Loss for the half-year attributable to the owners of Tissue Repair Ltd	up	2203.6%	to	(4,916,316)

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 $4,916,316 (31 December 2020: $213,416).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	44.18	5.39

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 2021 is attached.

---

11. Signed

Signed ______________________________ Date: 24 February 2022

Jack Lowenstein
Non-Executive Chair

Tissue Repair Ltd

ABN 20 158 411 566

Half Year Financial Report - 31 December 2021

Directors	Mr Tony Charara (Executive Director) Mr Jack Lowenstein (Non-Executive Chair) Mr Max Johnston (Non-Executive Director) A/Prof Craig Stamp (Non-Executive Director) Mr Bryan Gray (Non-Executive Director)
Company secretary	Alistair McKeough
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

Contents

Directors' report	3
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	20
Independent auditor's review report to the members of Tissue Repair Ltd	21

The directors present their report, together with the financial statements, on 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 2021.

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	Appointment date
Tony Charara	Co-Founder, Executive Director	17 May 2012
Jack Lowenstein	Independent, Non-Executive Chair	13 August 2021
Max Johnston	Independent, Non-Executive Director	7 Oct 2021
Craig Stamp	Independent, Non-Executive Director	7 Oct 2021
Bryan Gray	Independent, Non-Executive Director	7 Oct 2021

Principal activities

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

Financial update

The Group recorded a loss of $4,916,316 for the six months ending 31 December 2021 (31 December 2020: $213,416). The Group's operating cash outflows for the half year was $2,526,159 (31 December 2020: $149,543) and reported closing cash of $26,613,631 at 31 December 2021 (30 June 2021 $7,763,764).

Review of operations

The Company has made robust operational progress in the short period since listing.

TR-987 Wound Drug Candidate

- Manufacturing – completed three pilot batch runs of its Active Pharmaceutical Ingredient (API) material. Production of pilot batch number three was completed in late January 2022 and is undergoing analysis. After this the Company intends to progress to commercial scale engineering batch production.
- The Company has appointed a Toxicology and Safety (Tox) advisory team based in the US and Australia. During the March 2022 quarter, in consultation with the Tox advisors, the Company will approach the US FDA requesting a Type C meeting to seek feedback on the intended toxicology and safety program, and other matters related to its proposed Phase III clinical trial program. The meeting is in addition to the formal end of Phase II meeting and Phase III trial approval request planned for later in the year.
- The Company has appointed its final analytical partners to undertake validation of the suite of its analytical methods. Once the first engineering production run is complete, validation work on each test will commence. These partners include Avomeen, Sequens and The University of Georgia Complex Carbohydrate Research Centre.
- The Company is in the latter stages of selecting a Contract Manufacturing Organisation (CMO) and supplier of specialised equipment for the gel product needed for Phase III clinical supplies and ongoing commercial manufacture.

Aesthetic Commercialisation (TR Pro+)

- The Company completed its independent market research report for TR Pro+ consisting of 14 one-on-one interviews and a 57-respondent online survey with dermatologists, plastic surgeons, clinicians and other healthcare professionals. The outcome of the research was very positive:

  - 86% of respondents considered the product concept to be appealing. The researchers advised that this response was extremely positive when benchmarked against similar treatment options;

  - 96% of respondents indicated that out of 16 cosmetic treatments, a strict recovery program was most important for laser treatments and dermabrasion which aligns closely to our clinical data and provides a strong rationale to use TRPro+; and

  - 82% of Dermatologists would like the product to be available from their clinics as a treatment option.
- The Company has engaged Hahn Pharma to commence recruiting some 15-20 clinicians in a real-world evidence study (ie: product familiarisation program). This work is expected to commence during the current quarter.
- The Company is in the process of finalising a small production run of TR Pro+.

Significant changes in the state of affairs

In accordance with the Certificate of Registration on Conversion to a Public Company issued by the Australia Securities and Investment Commission on 13 August 2021, Tissue Repair Pty Ltd converted to a public company on 13 August 2021 and changed its name to Tissue Repair Ltd.

On 18 November 2021, the Company successfully listed on the ASX following the issue of 19,130,440 Ordinary shares at an issue price of $1.15 per share to raise $22,000,006 before costs.

There were no other 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 2021 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 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.

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

24 February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

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

In relation to the independent auditor's review of Tissue Repair Limited for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 C*ode of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Tissue Repair Limited and its controlled entity during the period.

Scott Whiddett
Partner

Pitcher Partners
Sydney

24 February 2022

Tissue Repair Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Revenue			
Interest		3,431	36
Total revenue		3,431	36
Expenses			
Consulting and professional expenses		(711,806)	(19,464)
Employee benefit expense		(229,709)	-
Depreciation and amortisation expense		(739)	-
General and administration		(105,639)	(8,724)
IPO expenses		(1,211,344)	-
Research and development expenses		(451,137)	(179,192)
Share based payment expenses		(324,683)	(23,743)
Net fair value adjustment losses	10	(1,875,000)	-
Net foreign exchange (losses) / gains		(9,690)	17,671
Total expenses		(4,919,747)	(213,452)
Loss before income tax expense		(4,916,316)	(213,416)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Tissue Repair Ltd		(4,916,316)	(213,416)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Tissue Repair Ltd		(4,916,316)	(213,416)
		Cents	Cents
Basic earnings per share	6	(12.52)	(0.65)
Diluted earnings per share	6	(12.52)	(0.65)

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

	Note	31 Dec 2021 $	30 Jun 2021 $
Assets			
Current assets			
Cash and cash equivalents	7	26,613,631	7,763,764
Trade and other receivables	8	461,350	355,264
Other current assets		169,043	5,382
Total current assets		27,244,024	8,124,410
Non-current assets			
Property, plant and equipment		3,185	-
Total non-current assets		3,185	-
Total assets		27,247,209	8,124,410
Liabilities			
Current liabilities			
Trade and other payables	9	524,458	534,438
Provisions		11,218	1,603
Total current liabilities		535,676	536,041
Non-current liabilities			
Fair value measurement	10	-	7,500,000
Total non-current liabilities		-	7,500,000
Total liabilities		535,676	8,036,041
Net assets		26,711,533	88,369
Equity			
Issued capital	11	35,033,873	3,819,076
Reserves	12	386,054	61,371
Accumulated losses		(8,708,394)	(3,792,078)
Total equity		26,711,533	88,369

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2020	3,854,144	22,611	(2,876,851)	999,904
Loss after income tax expense for the half-year	-	-	(213,416)	(213,416)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(213,416)	(213,416)
Transactions with owners in their capacity as owners:				
Share-based payments	-	23,743	-	23,743
Balance at 31 December 2020	3,854,144	46,354	(3,090,267)	810,231

	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	3,819,076	61,371	(3,792,078)	88,369
Loss after income tax expense for the half-year	-	-	(4,916,316)	(4,916,316)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,916,316)	(4,916,316)
Transactions with owners in their capacity as owners:				
Share-based payments	-	324,683	-	324,683
Issue of ordinary shares	22,482,385	-	-	22,482,385
Conversion of Convertible Notes	9,375,000	-	-	9,375,000
Share issue transaction costs	(642,588)	-	-	(642,588)
Balance at 31 December 2021	35,033,873	386,054	(8,708,394)	26,711,533

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(2,526,412)	(149,579)
Interest received		253	36
Net cash used in operating activities		(2,526,159)	(149,543)
Cash flows from investing activities			
Payments for property, plant and equipment		(3,924)	-
Net cash used in investing activities		(3,924)	-
Cash flows from financing activities			
Proceeds from issue of shares	11	22,000,006	-
Payment of share issue costs		(618,909)	-
Net cash from financing activities		21,381,097	-
Net increase/(decrease) in cash and cash equivalents		18,851,014	(149,543)
Cash and cash equivalents at the beginning of the financial half-year		7,763,764	1,146,595
Effects of exchange rate changes on cash and cash equivalents		(1,147)	-
Cash and cash equivalents at the end of the financial half-year		26,613,631	997,052

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Tissue Repair Ltd as a Group consisting of Tissue Repair Ltd and the entities 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.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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 are the Company's first publicly available financial statements and therefore include all the policy disclosures of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(a) Basis of preparation

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

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Note 2. Significant accounting policies (continued)

(b) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Parent entity as at 31 December 2021 and the results of all subsidiaries for the half year then ended. The Parent entity and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns, its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation
Functional and presentation currency

(i) The functional and presentation currency of the Company is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Items included in the financial statements of the Company's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(d) Revenue recognition
Revenue from contracts with customers
The Company currently has no revenue from the sale of goods or services.

Interest income
Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

(e) Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Note 2. Significant accounting policies (continued)

(f) Borrowings
Classification
Borrowings are categorised as “financial instruments designated at fair value through profit or loss”. The financial liabilities arising from the units must be fair valued.

Recognition/Derecognition
On initial recognition, all financial instruments are measured at either fair value with transactions costs that are directly attributable to its acquisition and changes in fair value being recognised in the profit and loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Measurement
Financial liabilities held at fair value through profit or loss are measured initially at fair value, with transaction costs that are directly attributable to its acquisition recognised in the Statement of Profit or Loss. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss.

(g) Income tax
The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(h) Impairment of non-financial assets
At the end of each reporting period the Company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(i) Cash and cash equivalents
For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Other receivables
Other receivables are recognised at amortised cost, less any allowance for credit losses.

(k) Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Contributed equity
Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

Note 2. Significant accounting policies (continued)

(m) Goods and services tax (GST)
Revenues, expenses and assets are recognised net GST, except where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(n) Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Tissue Repair Pty Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of ordinary shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) 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.

(p) Plant, Property and Equipment
Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Depreciation
The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Computer software - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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.

Note 2. Significant accounting policies (continued)

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.

(ii) Initial Public Offering (IPO) costs
The Group undertook an IPO to list on the ASX during the year. Costs incurred that are directly attributable and incremental to the issuance of new equity (net of tax) have been recognised in equity as an offset to the proceeds of capital raised. Management exercised judgement in determining an allocation methodology (between equity and expense) for costs which relate to both the issuance of new equity and other activities. The Group's methodology was determined with reference to the ratio of the number of new shares issued in raising capital to the number of the existing shares prior to IPO, and the nature and purpose of services rendered in incurring costs. All other costs were expenses in the statement of profit or loss and other comprehensive income during the year.

(iii) Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(iv) Research and development expenditure
The entity has expensed research and development expenditure incurred during the year, where applicable, as the costs relate to the initial expenditure for research and development of biopharmaceutical products where generation of future economic benefits are not considered certain. It was considered appropriate to expense these research and development costs as they did not meet the criteria to be capitalised under AASB 138 Intangible Assets.

(v) Borrowings
The entity measures the borrowings at fair value though profit or loss. The inputs and assumptions used in determining the fair value are disclosed in note 10.

Note 4. Going concern

For the period ended 31 December 2021 the entity has incurred a loss after tax of $4,916,316 (31 December 2020: $213,416) and incurred a net cash outflow from operating activities of $2,526,159 (31 December 2020: $149,543). As at 31 December 2021, the entity had net assets of $26,711,533 (30 June 2021: $88,369) and cash reserves of $26,613,631 (30 June 2021: $7,763,764).

The directors are satisfied that at the date of the signing of the financial report, there are reasonable grounds to believe that the company 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. Earnings per share

	31 Dec 2021 $	31 Dec 2020 $
Loss after income tax attributable to the owners of Tissue Repair Ltd	(4,916,316)	(213,416)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	39,272,069	32,762,860
Weighted average number of ordinary shares used in calculating diluted earnings per share	39,272,069	32,762,860
	Cents	**Cents**
Basic earnings per share	(12.52)	(0.65)
Diluted earnings per share	(12.52)	(0.65)

Note 7. Cash and cash equivalents

	31 Dec 2021 $	30 Jun 2021 $
Cash at bank	11,607,490	7,763,764
Cash on deposit	15,006,141	-
	26,613,631	7,763,764

[1] The term deposits have maturities ranging from 2 to 10 months.

Note 8. Trade and other receivables

	31 Dec 2021 $	30 Jun 2021 $
R&D tax inventive - FY20	148,652	148,652
R&D tax incentive - FY21	152,636	152,636
	301,288	301,288
Interest receivable	3,178	-
BAS receivable	156,884	53,976
	461,350	355,264

Note 9. Trade and other payables

	31 Dec 2021 $	30 Jun 2021 $
Trade payables	205,934	327,994
Accrued expenses	307,400	102,097
Other payables	11,124	104,347
	524,458	534,438

Note 10. Fair value measurement

The company measures and recognises its borrowings on a recurring basis.

(a) Fair value hierarchy

AASB 13: Fair value measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(iii) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

(1) Recognised fair value measurements

The following table presents the Company's liabilities measured and recognised at fair value.

	Level 1 $	Level 2 $	Level 3 $	Total $
At 30 June 2021				
Convertible Notes	-	-	7,500,000	7,500,000
Total liabilities	-	-	7,500,000	7,500,000
At 31 December 2021				
Convertible Notes	-	-	-	-
Total liabilities	-	-	-	-

Reconciliation of movement:

	31 Dec 2021 $	30 Jun 2021 $
Opening balance	7,500,000	-
Issue of Convertible Notes	-	7,500,000
Revaluation	1,875,000	-
Conversion of Convertible Notes to Ordinary shares	(9,375,000)	-
	-	7,500,000

Note 10. Fair value measurement (continued)

The Convertible Note Deed was entered into in April 2021. The company was required to issue a Convertible Notes in favour of the noteholder equal to the payments received. $7,500,000 was received in total from all noteholders.

The notes were to lapse by 31 December 2022 unless conversion took place or the notes were redeemed in the case of a Trade Sale.

The notes were not interest bearing and the Company would automatically convert the Convertible Notes upon any of the following events;

(i) On the Maturity Date;
(ii) One Business day immediately prior to the allotment date of shares as specified in the Prospectus relating to the IPO;
(iii) At least one Business day prior to the completion of a Trade sale, unless in the event that the Trade sale is an all cash transaction and no scrip consideration is issued to any seller, then a Majority of Noteholders may deliver a written notice to the Company electing that the Convertible Notes are redeemed rather than converted upon the closing of the Trade sale.
(iv) An event of default

On 18 November 2021, the Company was admitted to the Official List of the ASX therefore triggering the conversion of all Convertible Notes to Ordinary shares.

For comparative purposes refer to detailed note in the Annual report for the year ended 30 June 2021.

Note 11. Issued capital

Ordinary shares

	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 $	30 Jun 2021 $
Ordinary shares - fully paid	60,464,843	1,638,143	35,033,873	3,819,076

Reconciliation of the movement:

	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 $	30 Jun 2021 $
Opening balance as at 1 July	1,638,143	1,638,143	3,819,076	3,854,144
Share split [1]	31,124,717	-	-	-
Issuance of Ordinary Shares upon conversion of the Convertible Notes [2]	8,152,174	-	9,375,000	-
Issuance of Ordinary Shares for services [3]	419,369	-	482,379	-
Issue of Ordinary Shares - IPO	19,130,440	-	22,000,006	-
Less: Costs of capital raising [4]	-	-	(642,588)	(35,068)
Closing balance	60,464,843	1,638,143	35,033,873	3,819,076

[1] On 17 November 2021 the Company undertook a share split on the basis of 1:20.
[2] Upon successful admission to the Official List, the Convertible Notes were converted to Ordinary shares.
[3] The Company issued shares for services rendered to the company including medical trials, director fees, consultancy and Offer costs.
[4] Directly attributable costs incurred in the relation to the Initial Public Offering (IPO) are apportioned between statement of profit and loss and reduction in equity. The costs are apportioned based on the ratio of new to existing shares issued as part of the IPO.

Note 11. Issued capital (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Holders of ordinary shares are entitled to one vote per share at shareholders' meetings and to receive any dividends as may be declared. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Ordinary shares have no par value.

Options on issue

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	$0.2055
5,195,000	30/11/2019	30/11/2034	$0.0122	18/11/2021	$0.3715
6,035,580	27/9/2021	27/9/2036	$0.2844	27/9/2022[1]	$1.1500

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

Note 12. Reserves

	31 Dec 2021 $	30 Jun 2021 $
Share-based payments reserve	386,054	61,371

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

	31 Dec 2021 $	30 Jun 2021 $
Reconciliation:		
Balance at beginning of period	61,371	22,611
Share based payment expense	324,683	38,760
Balance at end of period	386,054	61,371

Note 13. Dividends

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

Note 14. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2021 %	Ownership interest 30 Jun 2021 %
TR Therapeutics Incorporated	United States of America	100.00%	100.00%

Note 15. Commitments and contingencies

The directors are of the opinion that there are no significant commitments and contingencies requiring disclosure for the Company as at 31 December 2021.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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 2021 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

24 February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tissue Repair Limited ("the Company") and its controlled entity ("the Group") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant 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 Limited 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 2021 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 2021 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.

S Whiddett

Scott Whiddett
Partner

24 February 2022

Pitcher Partners

Pitcher Partners
Sydney