CARING PROGRESSIVE DYNAMIC

TISSUE REGENIX GROUP PLC
INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS UP TO 30 JUNE 2018

Tissue Regenix Group plc

Who We Are

TISSUE REGENIX GROUP IS A PIONEERING, INTERNATIONAL MEDICAL TECHNOLOGY COMPANY, FOCUSING ON THE DEVELOPMENT OF REGENERATIVE PRODUCTS UTILISING OUR TWO PLATFORM TECHNOLOGIES, DCELL® TECHNOLOGY, ADDRESSING SOFT TISSUE NEEDS, AND BIORINSE®, PROVIDING INDUCTIVE BONE ALLOGRAFTS. WE ARE HELPING TO TRANSFORM THE TREATMENT OF PATIENTS IN FOUR KEY AREAS: BIOSURGERY, ORTHOPAEDICS (SPORTS MEDICINE/SPINE), DENTAL AND CARDIAC.

CONTENTS

Highlights

▷ Group sales increased to £5.6m

- DermaPure® sales grew by 73% on a reported basis, 96% in constant currency, to £1.5m (H1 2017: £0.9m)
- Increased sales from GBM-V by 70% to £0.9m (H1 2017: £0.5m)
- CellRight contribution of £3.2m under orthopaedics and dental

▷ Group EBITDA loss for the period of £3.5m

- Improvement from £5.1m loss in H1 2017
- Cash balance at 30 June 2018 £12.2m (H1 2017: £3.6m)

▷ Significant strategic partnerships signed

- Long-term distribution agreement with Arthrex, Inc. for BioRinse portfolio
- Exclusive agreement with ARMS Medical for DermaPure
- UK distribution agreement for BioRinse portfolio with Pennine Healthcare

▷ Integration highlights

- DermaPure manufacturing successfully transferred into CellRight facility ahead of schedule
- HTA License granted for import of BioRinse products into the UK.

Our Vision

To establish Tissue Regenix as a leader in the science and innovation of regenerative medicine and become our clinicians' partner of choice to meet growing clinical needs, transform patient care and deliver favourable health economic outcomes.

FOR MORE INFORMATION ON OUR KEY TERMS SEE THE GLOSSARY ON PAGE 16

Chairman's Statement

"DURING THE FIRST HALF OF THE 2018 FISCAL YEAR WE HAVE MADE SIGNIFICANT PROGRESS BOTH STRATEGICALLY AND OPERATIONALLY."

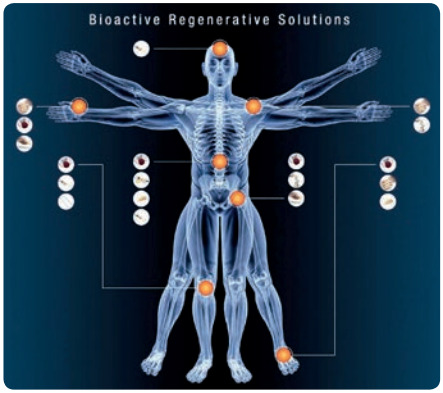
JOHN SAMUEL CHAIRMAN

Our strong first half performance is a direct result of delivering against our strategic objectives and the changes we implemented in our commercial focus.

We have invested to establish a foundation of novel regenerative technologies, generating a solid pipeline of products for commercial and technical development, and we maintain a healthy cash position.

Management and Personnel

We have strengthened our Board with the appointment of Gareth Jones as Chief Financial Officer who will join the Company in Q4 2018. Paul Below, interim CFO, will remain with the Company in order to facilitate an orderly transition period.



We would like to thank him for his support during this interim period.

Outlook

We have carried our positive momentum into the second half of the year. The successful creation of partnership opportunities has reaffirmed our decision to evolve our strategic vision and we look to sign additional agreements by the end of the year.

In the period, efficiency initiatives within our R&D portfolio, BioSurgery infrastructure and the Leeds operational site has bolstered our cash position. We remain committed to our objective of break even in 2020.

Performance in the first half of the year reflects growing demand for our products and increasing commercial traction. Growth at the beginning of the second half of the year remains encouraging and with further strategic and commercial opportunities expected throughout the remainder of the year we expect this momentum to continue.

I would like to thank our employees and shareholders who remain dedicated to and supportive of the Company.

CEO Operational Review

"I AM ENCOURAGED WITH OUR FIRST HALF PERFORMANCE, ESPECIALLY THE GROWING MOMENTUM OF REPORTED REVENUE GROWTH AND THE STRATEGIC PARTNERSHIPS SIGNED FOLLOWING THE SUCCESSFUL INTEGRATION OF CELLRIGHT TECHNOLOGIES"

STEVEN COULDWELL, CHIEF EXECUTIVE OFFICER

In the first half of 2018, we have continued to deliver the growth synergies identified at the time of our acquisition of CellRight Technologies whilst also increasing the commercial traction of our organic dCELL products.

Our US BioSurgery division continues to generate organic growth with an increase of 73% for sales of DermaPure in the US, 96% on a constant currency basis, resulting in an uplift to £1.5m (H1 2017: £0.9m).

CellRight products based on the complementary BioRinse Technology, contributed sales of £3.2m to our Orthopaedics and Dental division in the period.

Also, revenues from our Joint Venture, GBM-V, rose by 70% to £0.9m (H1 2017: £0.5m).

Business Review

Integration

These are the first results which incorporate a full six month period of the combined businesses and demonstrates the transformational effect of the acquisition. Our performance reflects the successful integration, and the compelling rationale behind the acquisition.

We completed several steps of the integration process ahead of schedule, a testament to the teams both in the UK and US, allowing us to maintain our focus on growing commercial traction. With the manufacturing of DermaPure successfully transferred into the CellRight facility, for the first time we have end to end control of the manufacturing process.

Demand for our products continues to increase and we are now reviewing our capacity capabilities to ensure that we can scale the business to meet the future production requirements.

Alongside leveraging these commercial opportunities we have commenced a global vision and culture programme for all employees to establish a consistent corporate culture across the Company. This initiative has been well received, and evidenced by collaborative working across the business units creating a cohesive approach to commercial opportunities presented.

Product Development & Pipeline

During the period we have undertaken a comprehensive review of our R&D portfolio in order to streamline our current programmes and focus our efforts on developing products with a clear market demand and commercialisation pathway. As we execute against our revised commercial strategy announced in March 2018, our product development expertise is being increasingly utilised by strategic partners for both OEM opportunities and as an extension of their own R&D capabilities. This has allowed us to initiate a number of workstreams that we would expect to come to fruition in the near future.

Operational Overview BioSurgery

Sales of DermaPure continue to gain traction in the Urogynaecology market through our exclusive distribution agreement with ARMS Medical. Over 300 patients having now benefited from the use of DermaPure in these procedures. We also continue to grow the organic business through our direct sales force and GPO coverage. In May we announced that we have been awarded a further three year contract under Premier, Inc. which became effective July 1st 2018, maintaining our access to the network of 3,900 hospitals and 150,00 provider organisations under Premiers' umbrella. Subsequently, in June TRX BioSurgery was awarded the 'Supplier Horizon Award' at Premiers Breakthrough conference. The Supplier Horizon Award recognizes suppliers that have been contracted with Premier for less than three years for exceptional local customer service and engagement, value creation through clinical excellence and commitment to lower costs. Notably the awards are voted upon by Premier members who have the first-hand experience of the products being used in clinical settings. This again highlights not only the differentiated clinical outcomes from the use of DermaPure, but also the health economic advantages of its' single application in many hospital settings, and re affirms our value proposition in the space. This has led to increased recognition of the TRX BioSurgery brand and subsequent growth of our DermaPure revenue stream.

SurgiPure XD, our dCELL xenograft dermis product, is ready for imminent launch into the US market through our BioSurgery division. Having received 510(k) clearance from the FDA we have undertaken our first batch of commercial manufacture for this product at the facility in Leeds and have established a commercial roll-out plan to penetrate the relevant markets. This demonstrates an opportunity that has been further realised due to the relationships and experience of the CellRight operational team.

CEO Operational Review continued

Orthopaedics & Dental

The two year clinical data for OrthoPure XT, dCELL® xenograft tendon is expected at the end of September 2018 and we now anticipate that, in line with the original trial protocol, we will submit to the regulatory body for a CE mark by the end of the year with a potential commercialisation date in Q1 2019. This two year clinical data will strengthen not only our EU submission but will also prove useful in additional clinical trial applications.

Signing the Arthrex distribution agreement was a pivotal milestone for our BioRinse portfolio in the US, with three of the portfolio products being taken under Arthrex OEM brand 'Allosync'. We have also focussed on geographic expansion and the successful approval of the HTA licence in June will allow us to import and distribute the BioRinse products into the UK and, over time, throughout the EU. In order to expedite our route to market in these territories, we have signed a distribution agreement with Pennine Healthcare, a specialist orthopaedic distributor based in the UK, and we are currently engaged in a number of discussions for potential parters in other key European countries.

Through the acquisition of CellRight, Tissue Regenix entered the attractive Dental market. In the last year we have seen the demand for the BioRinse products in this area increase. We intend to leverage the favourable reimbursement framework and the need for new, novel products in this underserved clinical setting.

Cardiac

The trials for our dCELL® valves in Brazil continue to deliver good results. We are progressing development plans at our joint venture, GBM-V in Germany and we remain on track to gain manufacturing approval during 2019 with the additional marketing clearance allowing for commercialisation in 2020.

GBM-V continues to process the sales of Corneas, which offsets the operational costs of the facility as we continue with the development of the CardioPure products.

Strategic partnerships

During the first half of the year we announced significant partnerships in line with our revised commercial strategy. Initially in the first quarter with Arthrex for the BioRinse products, shortly followed by an exclusive deal with ARMS medical, a specialist urogynaecology distributor, for DermaPure in the US, and then our first UK distribution agreement for the enlarged Group with Pennine Healthcare, again for the BioRinse portfolio. We look to build out a network of key accounts and distributors to drive both revenues and build our reputation as a leader in regenerative medical products.

Financial Summary

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	6 months 30 June 2018 (Unaudited) £000	6 months 30 June 2017 (Unaudited) £000	Change £000	Change %
REVENUE	**5,574**	1,343	4,231	315%
Cost of Sales	**(2,451)**	(754)	(1,697)	225%
GROSS PROFIT	**3,123**	589	2,534	430%
Other Operating Costs	**(6,597)**	(5,687)	(910)	16%
ADJUSTED LBITDA	**(3,474)**	(5,098)	1,624	–32%
Depreciation	**(283)**	(209)	(74)	35%
Amortisation	**(267)**	–	(267)	0%
Share–based payment	**(212)**	(135)	(77)	57%
Finance income	**42**	17	25	0%
Finance charges	**(146)**	–	(146)	0%
ADJUSTED LOSS BEFORE TAX	**(4,340)**	(5,425)	1,085	–20%
Taxation – payable	**(47)**	–	(47)	0%
Taxation – R&D credits	**352**	660	(308)	–47%
ADJUSTED LOSS AFTER TAX	**(4,035)**	(4,765)	730	–15%
Exceptional items	**(500)**	–	(500)	0%
STATUTORY LOSS	**(4,535)**	(4,765)	230	–5%

Financial Summary continued

FOR THE SIX MONTHS ENDED 30 JUNE 2018

The results for the half year to 30 June 2018 are not directly comparable as these include CellRight, which was acquired after the comparative half year for the period ended 30 June 2017.

In order to provide a clearer understanding of the performance of the business the loss in statutory format has been adjusted in the table above.

Loss before depreciation, amortisation, share-based payments, finance income and tax ("Adjusted LBITDA") in the six months ended 30 June 2018 improved to £3,474K (H1 2017: £5,098K)

Adjusted loss before tax was £4,340K (H1 2017: £5,425K). A new charge of £267K was recognised in respect of the amortisation of the intangible assets recognised on the acquisition of CellRight.

Taxation of £47K represents estimated tax chargeable on the profits of CellRight. R&D tax credits of £352K (H1 2017: £660K) represent the estimated tax credit receivable together with a premium of 40%, on development costs.

Exceptional costs of £500K represent the legal fees and settlement costs of litigation.

Cash Flow

Cash outflow from operations was £4,166K (H1 2017: £4,557K). This includes £500K of exceptional costs detailed above.

Overall cash outflow was £4,257K (H1 2017: £4,565K). The cash balance at 30 June 2018 was £12,215K (H1 2017: £3,608K).

Steve Couldwell
Chief Executive Officer

Condensed Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	6 months 30 June 2018 (Unaudited) £000	6 months 30 June 2017 (Unaudited) £000	Year 31 Dec 2017 (Audited) £000
REVENUE		**5,574**	1,343	5,233
Cost of sales		**(2,451)**	(754)	(2,627)
GROSS PROFIT		**3,123**	589	2,606
Administrative expenses before exceptional items		**(7,359)**	(6,031)	(12,324)
Exceptional items		**(500)**	–	(1,098)
Total administrative expenses		**(7,859)**	(6,031)	(13,422)
OPERATING LOSS		**(4,736)**	(5,442)	(10,816)
Finance income		**42**	17	47
Finance charges		**(146)**	–	–
LOSS BEFORE TAXATION		**(4,840)**	(5,425)	(10,769)
Taxation	**3**	**305**	660	1,348
LOSS FOR PERIOD		**(4,535)**	(4,765)	(9,421)
ATTRIBUTABLE TO:				
Equity holders of the parent		**(4,446)**	(4,589)	(9,221)
Non-controlling interests		**(89)**	(176)	(200)
		(4,535)	(4,765)	(9,421)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation differences – foreign operations		**531**	38	(614)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		**(4,004)**	(4,727)	(10,035)
ATTRIBUTABLE TO:				
Equity holders of the parent		**(3,915)**	(4,541)	(9,835)
Non-controlling interests	**4**	**(89)**	(186)	(200)
		(4,004)	(4,727)	(10,035)
LOSS PER SHARE				
Basic and diluted on loss attributable to equity holders of the parent		**(0.38)p**	(0.60)p	(1.00)p

The loss for the period arises from the Group's continuing operations.

Condensed Consolidated Statement of Changes in Equity (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Ordinary 0.5p Shares Number	Share Capital £000	Share Premium £000	Merger Reserve £000
At 31 December 2016	760,124,264	3,801	50,461	10,884
Loss for the period	–	–	–	–
Other comprehensive expense	–	–	–	–
Loss and total comprehensive expense for the year	–	–	–	–
Share based payment expense	–	–	–	–
Exercise of share options	1,295,632	4	44	–
At 30 June 2017	761,419,896	3,805	50,505	10,884
Loss and total comprehensive expense for the period	–	–	–	–
Issue of shares	400,000,000	2,000	38,000	–
Cost of issue of new equity	–	–	(2,318)	–
Exercise of share options	9,571,028	50	211	–
Share based payment expense	–	–	–	–
At 31 December 2017	1,170,990,924	5,855	86,398	10,884
Loss for the period	–	–	–	–
Other comprehensive expense	–	–	–	–
Loss and total comprehensive expense for the period	–	–	–	–
Exercise of share options	739,899	4	–	–
Share based payment expense	–	–	–	–
AT 30 JUNE 2018	**1,171,730,823**	**5,859**	**86,398**	**10,884**

Reverse Acquisition Reserve £000	Reserve For Own Shares £000	Share Based Payment Reserve £000	Retained Earnings Deficit £000	Total £000	Non–controlling Interests £000	Total Equity £000
(7,148)	(831)	1,156	(46,578)	11,745	(209)	11,536
–	–	–	(4,589)	(4,589)	(176)	(4,765)
–	–	–	48	48	(10)	38
–	–	–	(4,541)	(4,541)	(186)	(4,727)
–	–	136	–	136	–	136
–	–	–	–	48	–	48
(7,148)	(831)	1,292	(51,119)	7,388	(395)	6,993
–	–	–	(5,294)	(5,294)	(14)	(5,308)
–	–	–	–	40,000	–	40,000
–	–	–	–	(2,318)	–	(2,318)
–	–	–	–	261	–	261
–	–	(106)	–	(106)	–	(106)
(7,148)	(831)	1,186	(56,413)	39,931	(409)	39,522
–	–	–	(4,446)	(4,446)	(89)	(4,535)
–	–	–	531	531	–	531
–	–	–	(3,915)	(3,915)	(89)	(4,004)
–	–	–	–	4	–	4
–	–	212	–	212	–	212
(7,148)	**(831)**	**1,398**	**(60,328)**	**36,232**	**(498)**	**35,734**

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2018

	Notes	30 June 2018 (Unaudited) £000	30 June 2017 (Unaudited) £000	Year 31 Dec 2017 (Audited) £000
NON-CURRENT ASSETS				
Property, plant and equipment		**2,879**	953	2,994
Intangible assets		**19,486**	550	19,305
TOTAL NON-CURRENT ASSETS		**22,365**	1,503	22,299
CURRENT ASSETS				
Inventory		**2,540**	532	2,872
Trade and other receivables		**4,479**	2,554	4,168
Cash and cash equivalents		**12,215**	3,608	16,423
TOTAL CURRENT ASSETS		**19,234**	6,694	23,463
TOTAL ASSETS		**41,599**	8,197	45,762
NON-CURRENT LIABILITIES				
Trade and other payables		**(3,713)**	–	(635)
Deferred tax		**(797)**	–	(824)
TOTAL NON-CURRENT LIABILITIES		**(4,510)**	–	(1,459)
CURRENT LIABILITIES				
Trade and other payables		**(1,355)**	(1,204)	(4,781)
TOTAL CURRENT LIABILITIES		**(1,355)**	(1,204)	(4,781)
TOTAL LIABILITIES		**(5,865)**	(1,204)	(6,240)
NET ASSETS		**35,734**	6,993	39,522
EQUITY				
Share capital		**5,859**	3,805	5,855
Share premium		**86,398**	50,505	86,398
Merger reserve		**10,884**	10,884	10,884
Reverse acquisition reserve		**(7,148)**	(7,148)	(7,148)
Reserve for own shares		**(831)**	(831)	(831)
Share based payment reserve		**1,398**	1,291	1,186
Retained earnings deficit		**(60,328)**	(51,118)	(56,413)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**36,232**	7,388	39,931
Non-controlling interests		**(498)**	(395)	(409)
TOTAL EQUITY		**35,734**	6,993	39,522

Approved by the Board and authorised for issue on 3 September 2018.

Steve Couldwell
(Chief Executive Officer)

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Notes	6 months 30 June 2018 (Unaudited) £000	6 months 30 June 2017 (Unaudited) £000	Year 31 Dec 2017 (Audited) £000
OPERATING ACTIVITIES				
OPERATING LOSS		**(4,736)**	(5,442)	(10,816)
Adjustment for:				
Depreciation of property, plant and equipment		**283**	209	482
Amortisation of intangible assets		**267**	–	225
Share based payments		**212**	135	30
Research tax credit received		**1,047**	153	1,541
Corporation tax paid		**(28)**		
OPERATING CASH OUTFLOW		**(2,955)**	(4,945)	(8,538)
(Increase)/Decrease in inventory		**399**	129	(503)
(Increase)/Decrease in trade and other receivables		**(603)**	1,084	(783)
Increase/(Decrease) in trade and other payables		**(1,007)**	(825)	38
NET CASH OUTFLOW FROM OPERATIONS		**(4,166)**	(4,557)	(9,786)
INVESTING ACTIVITIES				
Interest received		**42**	17	47
Purchases of property, plant and equipment		**(113)**	(73)	(130)
Capitalised development expenditure		**(24)**	–	(93)
Acquisition of subsidiary		**–**	–	(19,945)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(95)**	(56)	(20,121)
FINANCING ACTIVITIES				
Proceeds from issue of share capital		**–**	–	37,742
Proceeds from exercised share options		**4**	48	249
NET CASH INFLOW FROM FINANCING ACTIVITIES		**4**	48	37,991
Decrease in cash and cash equivalents		**(4,257)**	(4,565)	8,084
Foreign exchange translation movement		**49**	–	166
Cash and cash equivalents at start of period		**16,423**	8,173	8,173
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**12,215**	3,608	16,423

Notes to the Condensed Unaudited Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2018

1) BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed financial statements are not statutory accounts, have not been audited and, as permitted under the AIM Rules, do not comply with IAS 34 "Interim Financial Reporting". The accounting policies adopted are in accordance with international Financial Reporting Standard and are consistent with those followed in the preparation of the financial statements for the period year end in exception to the following standards that were adopted on 1st January 2018:

- IFRS 15 Revenue from contracts from customer
- IFRS 9 Financial Instruments

The comparative figures for the year ended 31 December 2017 are from the statutory accounts. Those accounts have been reported on by the Company's Auditor and delivered to the Registrar of Companies. The report of the Auditor was unqualified, did not include reference to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006.

This is the first set of results since the adoption of IFRS 15 and IFRS 9 which has caused no material impact to the Group's financial statements, the Group has taken the Cumulative effect method.

2) GEOGRAPHICAL MARKET AND SEGMENTAL REPORTING

Revenue by geographical market

	6 months 30 June 2018 £000	6 months 30 June 2017 £000	Year 31 Dec 2017 £000
USA	**4,559**	820	4,098
Rest of world	**1,015**	523	1,135
	5,574	1,343	5,233

Segmental Analysis

Six months ended 30 June 2018

	BioSurgery £000	Orthopaedics & Dental £000	Cardiac £000	Other £000	Central £000	Total £000
REVENUE	**1,478**	**3,205**	**–**	891	–	5,574
Cost of sales	**(732)**	**(1,115)**	**–**	(604)	–	(2,451)
GROSS PROFIT	**746**	**2,090**	**–**	287	–	3,123
Administrative costs	**(2,042)**	**(2,835)**	**(224)**	(272)	(1,986)	(7,359)
Exceptional costs	**–**	**–**	**–**	–	(500)	(500)
OPERATING LOSS	**(1,296)**	**(745)**	**(224)**	15	(2,486)	(4,736)
Finance income	**–**	**–**	**–**	–	42	42
Finance charges	**–**	**–**	**–**	–	(146)	(146)
LOSS BEFORE TAXATION	**(1,296)**	**(745)**	**(224)**	15	(2,590)	(4,840)
Taxation	**(6)**	**259**	**52**	–	–	305
LOSS FOR THE PERIOD	**(1,302)**	**(486)**	**(172)**	15	(2,590)	(4,535)

2) GEOGRAPHICAL MARKET AND SEGMENTAL REPORTING continued

Segmental Analysis continued

Six months ended 30 June 2017

	BioSurgery £000	Orthopaedics & Dental £000	Cardiac £000	Other £000	Central £000	Total £000
REVENUE	820	–	–	523	–	1,343
Cost of sales	(494)	–	–	(260)	–	(754)
GROSS PROFIT	326	–	–	263	–	589
Administrative costs	(2,434)	(1,288)	(270)	(445)	(1,594)	(6,031)
OPERATING LOSS	(2,108)	(1,288)	(270)	(182)	(1,594)	(5,442)
Finance income		–	–	–	17	17
LOSS BEFORE TAXATION	(2,108)	(1,288)	(270)	(182)	(1,577)	(5,425)
Taxation	133	353	174	–	–	660
LOSS FOR THE PERIOD	(1,975)	(935)	(96)	(182)	(1,577)	(4,765)

Year ended 31 December 2017

	BioSurgery £000	Orthopaedics & Dental £000	Cardiac £000	Other £000	Central £000	Total £000
REVENUE	1,932	2,166	–	1,135	–	5,233
Cost of sales	(916)	(829)	–	(882)	–	(2,627)
GROSS PROFIT	1,016	1,337	–	253	–	2,606
Administrative costs	(4,737)	(3,297)	(481)	(484)	(3,325)	(12,324)
Exceptional costs	–	–	–	–	(1,098)	(1,098)
OPERATING LOSS	(3,721)	(1,960)	(481)	(231)	(4,423)	(10,816)
Finance income	–	3	–	–	44	47
LOSS BEFORE TAXATION	(3,721)	(1,957)	(481)	(231)	(4,379)	(10,769)
Taxation	372	722	254	–	–	1,348
LOSS FOR THE PERIOD	(3,349)	(1,235)	(227)	(231)	(4,379)	(9,421)

Notes to the Condensed Unaudited Financial Statements continued

FOR THE SIX MONTHS ENDED 30 JUNE 2018

3) TAXATION

	6 months 30 June 2018 £000	6 months 30 June 2017 £000	Year 31 Dec 2017 £000
CURRENT TAX:			
UK corporation tax credit on research and development costs in the period	**(352)**	660	1,348
US corporation tax	**47**	–	–
	(305)	660	1,348
DEFERRED TAX:			
Origination and reversal of temporary timing differences	**–**	–	–
TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES	**(305)**	660	1,348

The Group has accumulated losses available to carry forward against future trading profits. No deferred tax asset has been recognised relating to these losses as their recoverability is uncertain.

4) LOSS PER SHARE

	6 months 30 June 2018 £000	6 months 30 June 2017 £000	Year 31 Dec 2017 £000
TOTAL LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	**(4,446)**	(4,589)	(9,221)

	Number	Number	Number
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE DURING THE PERIOD	**1,171,534,448**	760,724,355	920,506,514
LOSS PER SHARE (BASIC AND DILUTED)			
Basic and diluted on loss for the period	**(0.38)p**	(0.60)p	(1.00)p

The Company has issued employee options over 54,157,073 Ordinary shares and there are 16,112,800 jointly owned shares which are potentially dilutive. There is no dilutive effect as there is a loss for each of the periods concerned.

5) SHARE CAPITAL

	Number	Share Capital £000	Share Premium £000	Merger Reserve £000	Reverse Acquisition Reserve £000	Total £000
TOTAL ORDINARY SHARES OF 0.5P AT 31 DECEMBER 2016	760,124,264	3,801	50,461	10,884	(7,148)	57,998
Issued on exercise of share options	1,295,632	4	44	–	–	48
TOTAL ORDINARY SHARES OF 0.5P AT 30 JUNE 2017	761,419,896	3,805	50,505	10,884	(7,148)	58,046
Issue of shares	400,000,000	2,000	35,682	–	–	37,682
Issued on exercise of share options	9,571,028	50	211	–	–	261
TOTAL ORDINARY SHARES OF 0.5P AT 31 DECEMBER 2017	1,170,990,924	5,855	86,398	10,884	(7,148)	95,989
Issued on exercise of share options	739,899	4	–	–	–	4
TOTAL ORDINARY SHARES OF 0.5P AT 30 JUNE 2018	**1,171,730,823**	**5,859**	**86,398**	**10,884**	**(7,148)**	**95,993**

6) MOVEMENT IN RETAINED EARNINGS AND RESERVE FOR OWN SHARES

	Retained Earnings Deficit £000	Reserve For Own Shares £000
At 31 December 2016	(46,578)	(831)
Loss for the period	(4,765)	–
Foreign translation movement	38	–
Minority interest	186	–
At 30 June 2017	(51,119)	(831)
Loss for the period	(4,656)	–
Foreign translation movement	(652)	–
Minority interest	14	–
At 31 December 2017	(56,413)	(831)
Loss for the period	(4,535)	–
Foreign translation movement	531	–
Minority interest	89	–
AT 30 JUNE 2018	**(60,328)**	**(831)**

Glossary

The following terms used in this document have the following meanings:

"Allograft"	human bone or tissue
"BioRinse"	a novel process that transforms human bone into a malleable type 1 collagen scaffold in a manner which preserved the native bone morphogenic proteins and growth factors.
"CardioPure"	a decelluralised human heart valve
"dCELL® Technology"	the proprietary soft tissue decellularisation process, which removes DNA and cellular material leaving intact an acellular matrix, which is comprised within the Company's owned and licensed patents and its unpublished information and know
"DermaPure"	a decellularised allograft dermis for use in chronic and acute wounds
"FDA"	Food and Drug Administration
"GPO"	Group Purchasing Organisation, is created to leverage the purchasing power of a group of healthcare providers e.g. hospitals
"Medicare"	Medicare is the US federal health insurance program for people who are 65 or older and certain younger people with disabilities
"OrthoPure XT"	the decelluralised porcine tendon for use in anterior cruciate ligament repair
"Osteoinductive"	the ability of graft material to recruit stem cells and develop into bone-forming cells
"SurgiPure XD"	a decellularised porcine dermis tissue matrix targeted for the repair of hernias and body wall defects
"Xenograft"	tissue sourced from a different species to the recipient
"510k process"	a 510(k) is a premarket submission made to the FDA to demonstrate that the device to be marketed is at least as safe and effective as, that is, substantially equivalent to, a legally marketed device that is not subject to pre-market approval. Submitters must compare their device to one or more similar legally marketed devices and make and support their substantial equivalency claims

Directors and Officers

DIRECTORS

John Samuel	(Chairman)
Steven Couldwell	(Chief Executive Officer)
Jonathan Glenn	(Non-Executive Director)
Alan Miller	(Non-Executive Director)
Randeep Singh Grewal	(Non-Executive Director)
Shervanthi Homer-Vanniasinkam	(Non-Executive Director)

COMPANY SECRETARY

Paul Below

COMPANY WEBSITE

www.tissueregenix.com

COMPANY NUMBER

05969271 (England & Wales)

REGISTERED OFFICE

Unit 1 & 2
Astley Way
Astley Lane Industrial Estate
Leeds
West Yorkshire
LS26 8XT

REGISTRAR

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

AUDITOR

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

LEGAL ADVISER

DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

NOMINATED ADVISER AND BROKER

Jefferies International Ltd
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

TISSUE REGENIX GROUP PLC
UNIT 1 AND 2
ASTLEY WAY
ASTLEY LANE INDUSTRIAL ESTATE
SWILLINGTON
LEEDS
LS26 8XT

www.tissueregenix.com