

ASX Announcement

Australian Research Council Linkage Grant to progress research into treating chronic pain with next generation stem cells

Sydney, Australia – 17 May 2016

Regeneus Ltd (ASX: RGS), a clinical-stage regenerative medicine company, today announced the Australian Research Council (ARC) had awarded a Linkage Grant of \$340,000 to a research consortium that includes Regeneus collaborating with leading researchers from Macquarie University and the University of Adelaide.

The three year research project will seek to develop a better understanding of chronic pain and how it affects women and men differently and how stem cells specially selected for their cytokine profiles can be used to relieve chronic pain in animals and help lay the foundations for future human therapies.

The research consortium brings together innovative cell labeling technologies developed by the ARC Centre of Excellence for Nanoscale BioPhotonics (CNBP) and a transdisciplinary team of researchers with expertise in the physiology of pain, cell analysis, biosensing and the development and clinical application of stem cells for inflammatory disease. The team will be led by Professor Ewa Goldys's group at Macquarie University and be assisted by Professor Mark Hutchinson's group at the University of Adelaide.

Professor Hutchinson is an expert in the mechanisms of neuropathic pain and his pioneering work has demonstrated that neuropathic pain is controlled by our immune system and that female chronic pain is more widespread than male pain.

Neuropathic pain is caused by damage or disease affecting nerves. Causes include trauma or surgery, viral infections, cancer and diabetes. Neuropathic pain is a common problem that presents a major challenge to health-care providers, with an estimated 6-8% of the population being affected.

"Stem cells secrete molecules that control or modulate the immune system. And because neuropathic pain is driven by the immune system we can use stem cells to control and shut down the pain. However, stem cells can secrete both good (anti-inflammatory) and bad (inflammatory) molecules, therefore, the use of cells that secrete the right molecules is going to be critical," said Professor Hutchinson.

Professor Ewa Goldys's group at Macquarie University has developed innovative cell labeling technologies to identify and select cells based on the molecules that they are secreting. This technology will be used to select cells for the manufacture of stem cells for the treatment of chronic pain.

Regeneus has patents and patent applications on the use of stem cells for the treatment of neuropathic pain and has had previous success with the use of stem cells for the treatment of neuropathic pain. The outcomes of this research project are expected to lead to the development of allogeneic off-the-shelf stem cell products that have been tailored for the treatment of neuropathic pain in both veterinary and human markets.

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About Regeneus:

Regeneus Ltd (ASX: RGS) is a clinical-stage regenerative medicine company developing a portfolio of cell-based therapies to address significant unmet medical needs in the human and veterinary health markets with a focus on osteoarthritis and other musculoskeletal disorders, oncology and dermatology diseases.

The company has two product candidates in Phase I trials: Progenza is an allogeneic "off-the-shelf" adipose stem cell therapy to treat osteoarthritis and other musculoskeletal conditions and RGS4K is an autologous therapeutic cancer vaccine to treat a wide range of cancer types. The company is developing a stem cell secretions based cream targeting acne and other inflammatory skin conditions. The company has two therapies targeting animal conditions: CryoShot is a clinical-stage allogeneic off-the-shelf adipose stem cell therapy for the treatment of canine and equine osteoarthritis and other musculoskeletal conditions and Kvax is an autologous therapeutic cancer vaccine in clinical trials.