

ASX Announcement

2 March 2020

Regeneus signs MOU agreement with Kyocera on exclusive negotiation rights for Progenza in Japan

Highlights:

- Regeneus and Kyocera Corporation sign Memorandum of Understanding (MOU) to give Kyocera exclusive negotiation rights to Progenza for treatment of Knee osteoarthritis (Progenza OA) until end of July 2020.
- MOU defines timeline and process towards a commercial licence for Progenza in Japan and outlines terms to access select research knowhow from Regeneus.
 - Agreement gives Kyocera access to highly confidential aspects of Progenza manufacturing, technical knowhow and clinical data for due diligence.
- Upfront payment of 100,000,000 JPY (approx. A\$1.4M) and additional 100,000,000 JPY payable from Kyocera upon meeting due diligence criteria. Following the conclusion of due diligence, Regeneus and Kyocera agree to proceed to negotiations of a commercial licence agreement, at market benchmark, no later than end of July 2020.

Regeneus Ltd (ASX: RGS) (Regeneus or the Company), a clinical-stage regenerative medicine company, today announced it has signed a non-binding MOU with Kyocera Corporation (Kyocera, TYO:6971).

Kyocera is a diversified Japanese multinational manufacturer. Their life sciences business includes operating as one of the major Japanese producers of medical and dental products including artificial joints for the knee and hip. Revenues of 1.6 trillion JPY (FY2018) and a market cap of 2.5 trillion JPY listed on the Tokyo Stock Exchange.

Under the MOU, Kyocera will conduct comprehensive due diligence related to Progenza before progressing to a conditional commercial agreement for the Company's lead technology. The agreement gives Kyocera exclusive negotiation rights to Progenza until 31 July 2020, outlines due diligence criteria, payment terms to access subset of research technology and process for a commercial agreement.

Kyocera will gain access to confidential corporate documentation, technical knowhow and clinical data related to Progenza OA for the purposes of its due diligence. The due diligence period is expected to be concluded within 45 days after delivery of the documentation. At the conclusion of due diligence, Kyocera will provide 100,000,000 JPY (approx. A\$1.4M) in payment to Regeneus upon meeting the criteria outlined in the agreement. This payment is refundable if an agreement is not executed.

Following the due diligence period, Kyocera will have until the end of July 2020 for exclusive rights to negotiate a commercial license for Progenza in Japan. The intent of the agreement ensures negotiations by both parties are conducted in good faith.

The commercial agreement will adopt suitable market valuation methodologies and metrics to provide Regeneus shareholders with maximum value.

In the MOU agreement, Regeneus has also agreed to licence to Kyocera rights to a subset of research knowhow for a payment of 100,000,000 JPY (approx. A\$1.4M).

CEO and Executive Director Leo Lee said, "This Memorandum of Understanding with a company of Kyocera's prominence is an important step in the commercialisation pathway for Progenza OA in Japan."

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About Regeneus

Regeneus Ltd (ASX:RGS) is a Sydney-based clinical-stage regenerative medicine company using stem cell technologies to develop a portfolio of novel cell-based therapies. The regenerative therapies seek to address unmet medical needs in human health markets with a focus on neuropathic pain, including osteoarthritis and various skin conditions, with its platform technologies Progenza and Sygenus. Visit www.regeneus.com.au for more information.

About Kyocera Corporation

Kyocera Corporation is a multinational diversified manufacturer headquartered in Kyoto, Japan. The group consists of 286 companies worldwide, including in industrial and automotive component manufacturing, document solutions and life/environmental product solutions. Kyocera is listed on the Tokyo Stock Exchange (TYO: 6971) and has a market capitalisation of 2.5 trillion JPY.

Authorisation & Additional information

This announcement was authorised by the Board of Directors of Regeneus Ltd

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