

TissueGene Awarded \$750,000 Maryland Stem Cell Grant for Invossa™ Clinical Study

Rockville, MD -- (June 30, 2017): TissueGene, Inc. ("TissueGene"), a Maryland-based regenerative medicine company, announced today that the Maryland Stem Cell Research Fund (MSCRF) has awarded TissueGene a clinical grant for Invossa™, the world's first cell and gene therapy for degenerative arthritis.

TissueGene has been awarded a \$750,000 clinical grant from the Maryland Technology Development Corporation (TEDCO) via the MSCRF. The clinical grant is to be used for conducting clinical trials in Maryland using cell therapy. This money is part of Accelerating Cure, a new TEDCO initiative to support regenerative medicine and cell therapy technologies in Maryland.

The grant award will be used by TissueGene to fund a component of a clinical study at a Maryland location for its US Phase III clinical trial for Invossa™. The ultimate outcome of this study is the verification that Invossa™ exerts its therapeutic effect not only by tissue regeneration but on other inflammatory aspects of the disease such as synovitis.

The title of the grant is "Assessment of the Efficacy of TG-C in Treating Synovitis Using Contrast Enhanced MRI in a Clinical Study of Knee Osteoarthritis." The Principal Investigator (PI) for the study will be Dr. Gurdyal Kalsi, Chief Medical Officer of TissueGene.

"We are excited to support this important clinical trial and the growth of TissueGene in Maryland," said Dr. Dan Gincel, TEDCO's VP University Partnerships, and MSCRF's Executive Director. "We look forward to see many more patients treated and cured from this and other devastating diseases."

Woosok Lee, CEO of TissueGene stated, "As a Maryland-based company, TissueGene is honored by the grant award from the State of Maryland which has consistently demonstrated its commitment to supporting innovative therapies such as Invossa™, which could potentially be the world's first disease-modifying drug for treating osteoarthritis."

Invossa™ is a first-in-class osteoarthritis drug designed to conveniently and effectively treat osteoarthritis of the knee through a single intra-articular injection. Clinical trials completed in Korea and on-going trials in the US have demonstrated pain relief, increased mobility, and improvements in joint structure – offering substantial convenience for the nearly 33 million Americans with osteoarthritis who would otherwise be in need of surgery.

TissueGene, Inc.

TissueGene, Inc., is a Maryland-based regenerative medicine company specializing in cell and gene therapy. TissueGene's lead product is Invossa™, an allogeneic, cell and gene therapy for osteoarthritis of the knee that has completed Phase II clinical trials in the US. TissueGene has recently reached an agreement with the U.S. Food and Drug Administration regarding a Special Protocol Assessment (SPA) for a Phase 3 clinical trial for Invossa™. Information can be found at the NIH registry, www.clinicaltrials.gov. For additional information about TissueGene, Inc., please visit www.tissuegene.com.

The Maryland Stem Cell Research Fund (MSCRF) was established by the State of Maryland under the Maryland Stem Cell Research Act of 2006 to promote State-funded stem cell research and cures through grants and loans to public and private entities in the State. Administered by The Maryland Technology Development Corporation (TEDCO), the MSCRF is overseen by an independent Commission that sets

policy and develops criteria, standards and requirements for applications to the Fund. For more information about the Maryland Stem Cell Research Fund, please visit www.mscref.org.

The Maryland Technology Development Corporation (TEDCO) is the go-to source for entrepreneurial support and guidance for technology start-ups and early-stage companies engaged in bringing innovative ideas to market. For over nineteen years, the organization has provided funding, mentoring and networking opportunities to support Maryland's innovation ecosystem. It is frequently ranked as one of the most active seed/early-stage investors in the nation. The organization plays a key role in bringing research created in Maryland's educational institutions and federal laboratories into the commercial marketplace. For more information on TEDCO and its programs and resources, visit www.TEDCO.md.