



Regeneus Limited

Nov 24th 2014

Regeneus in commercialisation discussions, reduces costs in review

Regenerative medicine company, Regeneus Ltd (ASX:RGS) will increase its focus on partnering to commercialise its products as well as streamline operations and reduce costs.

The company is in discussions with potential partners about the licensing, development and distribution of its allogeneic stem cell products.

In a wide reaching strategic review of operations, outlined at the recent AGM, the successful measures and cost reductions will see Regeneus on track to meet its reduced quarterly cash burn target of \$1.7 million.

Significantly, this will provide an expected two year cash runway.

Completion of the early stage research and development phases for a number of products now allows a greater focus on partnering and commercialisation.

New CEO John Martin said: "our review identified a number of opportunities for streamlining our management structure and operations without having any significant impact on meeting our business and product development milestones for the next 18 months.

"We have increased our focus on licensing commercialisation partners for the co-development and distribution of products. HiQCell, Kvac and our stem cell secretions cream are all at the stage where they can be commercialised and we are currently engaged with a number of parties about the distribution of these products.

"We are also in discussions with potential partners about the licensing, development and distribution of our allogeneic stem cell products CryoShot and Progenza (PRG)".

Martin said further: "We have successfully completed an expensive phase in the development of our products. The Kvac vaccine manufacturing process is complete and has been transferred to Hennessey, our manufacturing partner in the US.

"The manufacture process for canine CryoShot has been transferred to Lonza, our manufacturing partner in the US and is undergoing final scale-up development prior to cGMP manufacture. Product manufacture and pre-clinical safety studies are near completion for Progenza (PRG) in readiness for the first-in-man safety trial."

Cost reductions

The cost reductions are a result of the completion of various product development and manufacturing costs and a reduction in headcount.

Analysis

Bullishly, Regeneus expects to have a two year cash runway, after the completion of various product development and manufacturing costs and a reduction in headcount. Cash at bank at 30 September was a healthy \$9.6 million.

The increased focus and emphasis on partnering to commercialise its products also sends a strong signal of a goal of potential revenue generation from either licensing, development and/or distribution of its product suite.

1 Year Share Price Graph



Share Information

Code: RGS
Listing: ASX
Sector: Medical Supplies
Website: www.regeneus.com.au

Company Synopsis:

Regeneus Limited (ASX:RGS) is a Sydney based regenerative medicine company founded in August 2007 that is focused on using the regenerative capacities of adipose-derived cells to develop innovative cell therapies for humans and animals.

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Significant achievements in 2014 included:

- Successful translation of four regenerative medicine technology platforms into products for musculoskeletal and oncology applications for humans and animals
- On track for CryoShot Canine to be one of the first stem cell products approved by the FDA
- USDA green light for first autologous canine cancer vaccine (Kvax)
- Manufactured cells for first-in-man trial of allogeneic stem cells for knee OA
- Revenue up 18% to \$2.1 million

With John Martin stepping up as CEO, the first steps have been taken to unlock the value in the company's product pipeline and to close the mis-pricing between the inherent value of the assets and current market cap. of \$31 million.

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