

31 January 2017

ASX Ltd  
20 Bridge Street  
Sydney  
NSW 2000

**Regeneus Ltd (ASX: RGS) – Quarterly results for the period ended 31 December 2016**

The company's Appendix 4C – Quarterly Cash Flows is attached.

The highlights for the quarterly reporting period include:

- The company entered into a strategic collaboration and licensing agreement with AGC of Japan on 28 December 2016. Pursuant to the terms of this agreement, an upfront payment of US\$5.5million was received on 20 January 2017.
- Cash outflow for the quarter was \$1.14 million.
- Net operating cash outflow for the quarter at \$1.34 million was markedly better than the quarterly cash outflow target. Prior quarterly operating cash outflows (excluding R&D tax incentive) are as follows:

- December (current) quarter	\$1.34million
- September quarter	\$1.71 million
- June quarter	\$1.44 million
- March quarter	\$1.44 million

The sources of funding for the company over the next 18 months include; the R&D tax incentive; shareholder loan repayments relating to the funding of employee options exercised as part of the IPO in 2013; and additional milestone payments. These sources of cash should ensure that the company has adequate funding to support its R&D, clinical trials and operating activities for FY' 17 and FY' 18.

Further licensing opportunities will provide additional funding for incremental activities.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Regeneus Ltd

**ABN**

13 127 035 358

**Quarter ended ("current quarter")**

31<sup>st</sup> December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	281	630
1.2 Payments for		
(a) research and development	(456)	(990)
(b) product manufacturing and operating costs	(9)	(55)
(c) advertising and marketing	(32)	(35)
(d) leased assets		
(e) staff costs	(814)	(1,641)
(f) administration and corporate costs	(311)	(953)
1.3 Dividends received (see note 3)		-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,732
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,339)</b>	<b>(320)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(22)
(b) businesses (see item 10)	(1)	(1)
(c) investments	-	(1)
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	10
(b) businesses (see item 10)	-	
(c) investments	-	
(d) intellectual property	-	
(e) other non-current assets	-	
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	
2.5 Other (provide details if material)	-	
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(14)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from shareholder loan	201	201
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	1,250
3.6 Repayment of borrowings	-	(1,250)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>201</b>	<b>201</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,538	529
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,339)	(320)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	201	201
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>396</b>	<b>396</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents at end of quarter (per consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	44	324
5.2	Call deposits	352	1,214
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>396</b>	<b>1,538</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	167
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

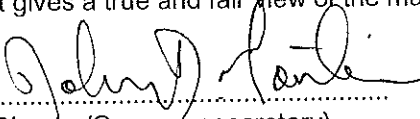
<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	(680)
9.2	Product manufacturing and operating costs	(10)
9.3	Advertising and marketing	(40)
9.4	Leased assets	-
9.5	Staff costs	(830)
9.6	Administration and corporate costs	(440)
9.7	Other (Withholding tax and transaction costs associated with Japan licence receipt)	(750)
9.8	<b>Total estimated cash outflows</b>	<b>(2,750)</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities</b> (items 2.1(b) and 2.2(b) above)	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	Regeneus Japan inc	
10.2	Place of incorporation or registration	Japan	
10.3	Consideration for acquisition or disposal	\$1,250	
10.4	Total net assets	\$1,250	
10.5	Nature of business	(1)	
(1) Clinical development and commercialisation of product in Japan			

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
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(Director/Company secretary)

Date: 31 January 2017

Print name: John Martin

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.