

24 October 2018

ASX Ltd
20 Bridge Street
Sydney
NSW 2000

Regeneus Ltd (ASX: RGS) – Quarterly results for the period ended 30 September 2018

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

The financial highlights for the quarterly reporting period include:

- Cash as at 30 September 2018 of \$2.7 million (30 June \$1.1 million)
- Net operating cash outflow (ex R&D Tax Incentive) of \$1.5 million, consistent with prior quarters
- R&D Tax Incentive received of \$2.4 million (2017 \$2.6 million)
- Repayment of R&D loan facility with Paddington St Finance Pty Ltd renegotiated to the earlier of receipt of the next milestone payment under the manufacturing licence with AGC Inc.; the receipt of the FY19 R&D Tax Incentive; and 30 September 2019.

The Company's cash position of \$2.7 million as at 30 September is expected to provide adequate funding until the next milestone payment is received under the Company's Progenza licence agreement with AGC Inc. of Japan.

The sources of funding for the Company over the next 18 months include: milestone payments and anticipated clinical licensing opportunities for Progenza; shareholder loan repayments relating to the funding of employee options exercised as part of the IPO in 2013; ongoing R&D Tax Incentives including forward funding arrangements where necessary and options exercised. These sources of cash are expected to provide sufficient funding to support the Company's R&D, clinical trials and operating activities for FY'19 and into FY'20.

Further licensing opportunities may provide additional funding for incremental activities.

About Regeneus Limited

Regeneus Ltd (ASX:RGS) is a Sydney-based clinical-stage regenerative medicine company using stem cell and immuno-oncology technologies to develop a portfolio of novel cell-based therapies to address significant unmet medical needs in the human and animal health markets with a focus on osteoarthritis and other musculoskeletal disorders, oncology and dermatology. <http://www.regeneus.com.au>

Contact for further information:

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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")

30th September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(187)	(187)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(798)	(798)
(f) administration and corporate costs	(517)	(517)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(44)	(44)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,357	2,357
1.8 Other (provide details if material)	2	2
1.9 Net cash from / (used in) operating activities	815	815

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(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)	-	-
2.6 Net cash from / (used in) investing activities	(4)	(4)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from shareholder loan	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	880	880
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(75)	(75)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	805	805

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,092	1,092
4.2	Net cash from / (used in) operating activities (item 1.9 above)	815	815
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	805	805
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of quarter	2,709	2,709

5. Reconciliation of cash and cash equivalents at end of quarter (per consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,709	1,092
5.2 Call deposits	1,000	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,709	1,092

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
183
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	1,880	1,880
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.		

In June 2018 Regeneus entered into an R&D loan facility with Paddington St Finance Pty Ltd. The facility forwarded funded, via a loan, \$1.88 million. Initially, the repayment date for this loan was on receipt of the FY18 R&D Tax Incentive. During the quarter the payment terms of the loan to Paddington St Finance Pty Ltd were renegotiated. The terms of repayment are now the earlier of receipt of the next AGC Inc. milestone payment under the manufacturing licence; the receipt of the FY19 R&D Tax Incentive; and 30 September 2019. The facility was fully drawn during the quarter.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(510)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(830)
9.6	Administration and corporate costs	(450)
9.7	Other	-
9.8	Total estimated cash outflows	(1,790)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

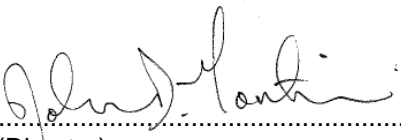
Notes to be read in conjunction with this report

N/A

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)

Date: 24 October 2018

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.