

ASX Announcement

1 August 2019

Capital Raise up to \$5.5 million supports Progenza commercialisation strategy

Highlights

- Regeneus successfully completes a \$2.34 million placement, receiving strong support from institutional, sophisticated and professional investors from Australia, Japan, Singapore, China and US.
- A Rights Issue to raise up to an additional \$3.2 million from eligible shareholders has been launched, with any shortfall to be partially underwritten by the Company's Directors
- The funds raised will provide the Company with sufficient runway to secure a commercialisation licensing deal for Progenza for osteoarthritis in Japan
- Regeneus is poised to finalise this commercial licensing deal, which will represent a major milestone towards bringing Progenza commercially to market by 2023
- Initiatives to realise cost synergies from the re-alignment of operations to the Company's revised strategic direction will be implemented in early FY2020

Regeneus Ltd (ASX: RGS) (Regeneus or the Company), a clinical-stage regenerative medicine company, is pleased to announce it has successfully completed a \$2.34 million capital raise via a Private Placement and will raise up to a further \$3.2 million via a partially underwritten Rights Issue to existing, eligible shareholders.

If fully subscribed, the total funds raised will amount to \$5.5 million and will provide the Company with sufficient runway to secure a commercial licensing deal for Progenza for osteoarthritis in Japan. The Company remains on the cusp of securing this commercial licensing deal and looks forward to updating the market in due course. The funds, in combination with milestone payments to be received from the Company's Japanese partner, will be used to fully fund the commercialisation of Progenza for osteoarthritis in Japan, by 2023.

Successful Placement raises up to an additional \$2.34 million

The Company successfully completed a \$2.34 million Placement, via the issue of 29,250,000 shares at \$0.08c per share. The Placement was strongly supported by institutional, sophisticated and professional investors from Australia, Japan, China, Singapore and US. The support of these investors provides further validation of the company's platforms and the potential value offering it brings to shareholders and potential patients for Progenza.

Rights Issue to raise an additional \$3.2 million, partially underwritten by the Directors

A Rights Issue to raise up to a further \$3.2 million will be offered to all eligible shareholders, who will be entitled to purchase one share for every six shares held, at \$0.08c per share. The offer will be partially underwritten by the Company's Directors, with \$1.4 million in existing Directors' Loans to be converted into equity, and an additional \$0.4 million contributed by Non-Executive Directors (or related parties of) Barry Sechos and Glen Richards.

The Offer Booklet will be sent to eligible shareholders on Tuesday, 13 August 2019 when the Offer opens. The Offer will close on Tuesday, 27 August 2019.

Use of Funds

The funds raised provide Regeneus with sufficient runway to support ongoing operations as we remain poised to secure a commercial licensing deal for Progenza, that will support us in taking Progenza for osteoarthritis commercially to market in Japan by 2023.

The strong support and personal commitment by the Directors further demonstrates the Board's continued confidence in Regeneus' strategic focus on delivering regenerative therapies for the US\$69 billion¹ global pain market and its immediate plans to commercialise Progenza in Japan by 2023.

Cost synergies to be realised in early FY2020

The Board is currently finalising a range of initiatives for implementation in early FY2020, that will align the Company's operations with its revised strategic direction and ensure the efficient and effective deployment of capital.

Leo Lee, Regeneus CEO states:

"We would like to thank our new and existing shareholders for their continued support and the confidence they have placed in us in steering the Company towards long term value creation. The strong level of support demonstrated in particular by our Board provides further validation and a clear vote of confidence in the Company's strategic direction and immediate priority to commercialise Progenza for osteoarthritis."

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About Regeneus Ltd

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 to address significant unmet medical needs in the human health markets with a focus on osteoarthritis and other musculoskeletal disorders, neuropathic pain and dermatology.

<http://www.regeneus.com.au>

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¹ Source: Datamonitor Healthcare – Neuropathic Pain Market Spotlight 2018.